



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.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

221 E. 11th St., Austin, TX 78701 Main Number: 512-475-3800 Email: Info@tdhca.state.tx.us
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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: El Sereno Apartments (previous known as Borgfeld Manor)

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.

Borgfeld Housing, LP
Applicant Entity Name
By: [Signature]
Signature of Authorized Representative
Mohannad H. Mohanna
Printed Name
Managing General Partners
Title
11/27/2018
Date

Sworn to and subscribed before me on the 28th day of November, 2018
by Mohannad H. Mohanna
(Personalized Seal)

[Signature]
Notary Public Signature
[Signature]
Notary Public, State of
[Signature]
County of
[Signature]
My Commission Expires:
[Signature]
Date

See Attached

CALIFORNIA JURAT

.....

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles } ss.

Subscribed and sworn to (or affirmed) before me on this 28th day of, November 2018,
by Mohannad H. Mohanna, proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.



(seal)

Lashon S. Gilbreath
Signature of Notary



November 30, 2018

Andrew Sinnott
Multifamily Direct Loan Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDHCA #18509 El Sereno Senior Apartments (aka Borgfeld Manor) – Request for Funding Under TDHCA MDL NOFA (3rd Amendment)

Dear Mr. Sinnott,

We hereby request \$1,140,000 a loan under the Supportive Housing set-aside of the above-referenced Notice of Funding Availability. As the El Sereno is currently under construction, we have requested a waiver of certain 3rd party report requirements, under separate cover.

The El Sereno construction schedule has been severely impacted by weather and cost increases, resulting in a funding shortfall; our request for TCAP RF funding comes in an effort to offset this shortfall. In addition to this request, we have submitted two requests for consideration at the December 6 TDHCA Board of Directors meeting: First, we have requested approval to for a change in ownership structure in order to qualify for a 50% property tax exemption (see Board Action Request #1 uploaded to MF Serve-U). Second, we requested an extension of Placed in Service deadline in a major disaster area (see Board Action Request #2).

Together, the three submissions represent our request for assistance after having stepped forward and contributed over \$600,000 in order to keep construction progress moving forward. We greatly appreciate your consideration in this matter.

Please direct any questions to Simon Fraser, Project Manager, at 424-258-2914 or simon.fraser@housingpartners.com.

Sincerely,

Mohannad H. Mohanna
Its Managing Member

Andrew Sinnott

From: Bandla, Raj <Raj.Bandla@lockelord.com>
Sent: Monday, March 18, 2019 3:02 PM
To: Monte Heaton; Andrew Sinnott; Simon Fraser
Cc: Bast, Cynthia L.
Subject: RE: El Sereno [18509] - RFI 4 Responses

Hi Andrew,

I will let our client discuss the specifics of the increase in cost, which I understand to be related to damage sustained during Hurricane Harvey. I expect that if our client has not done so already that they will provide the revised cost schedule as supporting material for the increased costs and their origin and that our client will also provide an updated pro forma of operating costs if that has not been already provided. Finally, I believe you have been provided evidence of Bank of America's acknowledgment of the permanent loan increase to the maximum amount of the permanent loan.

Regarding your request to confirm that the TCAP RF funds would not be used to cover costs that have been paid for by another source, please see the below explanation and feel free to contact me with any further questions or clarifications:

As mentioned above, the increase in costs incurred for this project were the result of additional work that had to be done after the project suffered damage from a natural disaster. The partnership had initially attempted to obtain debt financing to fund the additional costs but was unable to because the property would have fallen "out of balance" as defined by its existing loan documents. The partnership was also unable to obtain any additional equity or grant financing to fund the additional costs. As a result, the general partner of the partnership provided temporary funding to the partnership in order to fund accruing additional expenses, as bridge financing until the partnership was able to secure an external source of funds. I understand that our client has draws and cost reports to confirm that the general partner's funding was provided on an ad hoc basis as costs arose.

The partnership has been essentially self-funding its additional accrued expenses without a source to pay for them. To the extent that any TCAP RF funds are used to repay debt, such repayment would only be on the emergency funding that the general partner has put into the partnership in lieu of an available source of funding, as described above. The property would have lost financial feasibility without the general partner taking the above-described actions. Further, we understand that the property would lose its financial feasibility without the addition of TCAP funds.

Our client's request has been limited to an amount that reflects the amount necessary to pay unforeseen additional expenses that would not otherwise be covered by another source, which will be reflected in the sources and uses schedule provided to you by our client.

Please feel free to contact me with any additional questions that you may have on this.

Thank you,
Raj

Raj Bandla
Attorney
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, TX 78701
T: 512-305-4749
F: 512-391-4730
raj.bandla@lockelord.com
www.lockelord.com

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[Click here](#) to follow @LockeLord on Twitter today.

From: Monte Heaton <monte.heaton@housingpartners.com>
Sent: Monday, March 18, 2019 11:46 AM
To: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>; Simon Fraser <simon.fraser@housingpartners.com>
Cc: Bandla, Raj <Raj.Bandla@lockelord.com>
Subject: RE: El Sereno [18509] - RFI 4 Responses

Andrew,
I've attached the term sheet from Citibank with the higher maximum loan amount. We're working on the other items and will have them out to you ASAP.
Thanks,

Monte Heaton
Highridge Costa Development Company
Senior Financial Analyst
(O) (424) 258-2910
(M)(424) 295-2255

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Friday, March 15, 2019 2:58 PM
To: Simon Fraser <simon.fraser@housingpartners.com>
Cc: Monte Heaton <monte.heaton@housingpartners.com>; Bandla, Raj <Raj.Bandla@lockelord.com>
Subject: RE: El Sereno [18509] - RFI 4 Responses

Simon,

I never received a response to this from my 3/12 email: With regard to the Sources & Uses, please explain why costs have increased approximately \$260K and provide the revised Development Cost Schedule that reflects that increase.

Also, please provide documentation from Bank of America acknowledging the increase on the permanent loan from \$4,707,568 to \$5,471,191.

While you sent me the updated Annual Operating Expenses on 3/8, I never received an updated Proforma – please send the updated Proforma.

Finally, please provide a more detailed response with regard to the TCAP RF funds not being used for costs that have been allocated to or paid by another source. Please also be aware of the following requirement in the 2018-1 NOFA: "Awards to refinance or of supplemental financing will not exceed an amount necessary to replace lost funding or maintain original anticipated levels of feasibility as determined by staff." Please see [item 3 in the Board book](#) for the Board meeting next week to see how we are treating a similar transaction.

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

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)).

From: Simon Fraser <simon.fraser@housingpartners.com>
Sent: Friday, March 15, 2019 4:02 PM
To: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Cc: Monte Heaton <monte.heaton@housingpartners.com>; Bandla, Raj <Raj.Bandla@lockelord.com>
Subject: RE: El Sereno [18509] - RFI 4 Responses

Hello Andrew.

Please see our responses below in green.

1. ~~For the deficiency regarding unit sizes in the attached email, please confirm that the Site Plan from February 2016 is correct while the Site Plan from April 2017 is incorrect, and that the total net area is 100,125-sf, not 100,704-sf as indicated in the Site Plan from April 2017. See the attached revised application pages for Tab 23 and Tab 24 reflecting the 100,704 from the April 2017 Site Plan.~~
2. For the deficiency regarding Match, I did not see any new information that clears this deficiency. Please provide 5% Match in accordance with [10 TAC §13.2\(8\)](#). See the City of Cibolo refund check in the amount of \$59,434.67. **Please describe what this refund is for. In order for this to be counted as match, this needs to be a fee or charge normally and customarily imposed or charged on all projects in the city that the city is refunding to this development by virtue of it being affordable housing. Please see the Foregone Taxes, Fees and Charges section of CPD Notice 97-03.**
3. ~~For the waiver requests, please consolidate all of the waiver requests (attached) into one letter and focus in on how the need for the waivers was both not foreseeable and preventable in accordance with [10 TAC 10.207\(1\)](#), and how the waivers, should they be granted, better serve the policies and purposes articulated in [Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701](#) in accordance with [10 TAC 10.207\(2\)](#). See the attached revised consolidated waiver letter.~~
4. Now that construction is complete, please confirm that the costs that would be requested for reimbursement with the \$1.14 million in Direct Loan funds would not be those listed in [10 TAC 13.3\(e\)](#). Also, please provide a description of the costs that would be requested for reimbursement with Direct Loan funds. **See the below proposed costs for reimbursement. Direct Loan funds cannot pay for costs associated with the partnership or syndication of the credits; therefore, Partnership Legal would be ineligible. With regard to the other costs listed below, please explain how they have not been allocated to or paid by another fund source.**
 Please see the below revised reimbursement summary with Survey and Engineering increases of \$33,825. \$863,191 in bridge advances have been made in order to keep the project moving to completion, and it is these funds and the below-detailed Taxes, Insurance and lender costs that we are seeking reimbursement for in the permanent TCAP loan.

Construction - Residential	\$ 863,191
Taxes	\$ 83,085
Insurance	\$ 45,163
Construction Loan Extension Fee	\$ 89,736
Lender Legal	\$ 25,000
Survey & Engineering	\$ 33,825
	\$ 1,140,000

Supersedes...

Proposed TCAP Reimbursements	
Construction - Residential	\$ 863,191
Taxes	\$ 83,085
Insurance	\$ 45,163
Construction Loan Extension Fee	\$ 89,736
Lender Legal	\$ 25,000
Partnership Legal	\$ 33,825
	\$ 1,140,000

5. Finally, please update the Annual Operating Expenses and Proforma tabs to reflect the reduced Property Taxes (\$60,662 in year 1) as a result of the ownership transfer to a nonprofit GP that was approved at the 12/6/18 TDHCA Board meeting. ~~See the attached revised application pages for Tab 26 and Tab 31 reflecting the reduced property taxes from a 50% property tax exemption.~~

Let me know if you have any questions.
-Simon

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Tuesday, March 12, 2019 8:25 AM
To: Simon Fraser <simon.fraser@housingpartners.com>
Subject: RE: El Sereno [18509] - RFI 4 Responses

Hi Simon,

Please see my comments below in red. With regard to the Sources & Uses, please explain why costs have increased approximately \$260K and provide the revised Development Cost Schedule that reflects that increase.

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

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)).

From: Simon Fraser <simon.fraser@housingpartners.com>
Sent: Monday, March 11, 2019 6:17 PM
To: Andrew Sinnott <andrew.sinnott@mail.tdhca.state.tx.us>
Subject: RE: El Sereno [18509] - RFI 4 Responses

Hello Andrew.

Please confirm receipt and that the sources and uses amounts work for you. I will then upload and approach Bank of America to sign the schedule.
-Simon

From: Simon Fraser
Sent: Friday, March 8, 2019 1:59 PM
To: 'Andrew Sinnott' <andrew.sinnott@tdhca.state.tx.us>
Cc: Monte Heaton <monte.heaton@housingpartners.com>
Subject: El Sereno [18509] - RFI 4 Responses

Andrew,

Please see the below numbered responses to your RFI from February 28th (RFI #4):-

1. For the deficiency regarding unit sizes in the attached email, please confirm that the Site Plan from February 2016 is correct while the Site Plan from April 2017 is incorrect, and that the total net area is 100,125 sf, not 100,704 sf as indicated in the Site Plan from April 2017. See the attached revised application pages for Tab 23 and Tab 24 reflecting the 100,704 from the April 2017 Site Plan.
2. For the deficiency regarding Match, I did not see any new information that clears this deficiency. Please provide 5% Match in accordance with [10 TAC §13.2\(8\)](#). See the City of Cibolo refund check in the amount of \$59,434.67. **Please describe what this refund is for. In order for this to be counted as match, this needs to be a fee or charge normally and customarily imposed or charged on all projects in the city that the city is refunding to this development by virtue of it being affordable housing. Please see the Foregone Taxes, Fees and Charges section of CPD Notice 97-03.**
3. For the waiver requests, please consolidate all of the waiver requests (attached) into one letter and focus in on how the need for the waivers was both not foreseeable and preventable in accordance with [10 TAC 10.207\(1\)](#), and how the waivers, should they be granted, better serve the policies and purposes articulated in [Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701](#) in accordance with [10 TAC 10.207\(2\)](#). See the attached revised consolidated waiver letter.
4. Now that construction is complete, please confirm that the costs that would be requested for reimbursement with the \$1.14 million in Direct Loan funds would not be those listed in [10 TAC 13.3\(e\)](#). Also, please provide a description of the costs that would be requested for reimbursement with Direct Loan funds. See the below proposed costs for reimbursement. **Direct Loan funds cannot pay for costs associated with the partnership or syndication of the credits; therefore, Partnership Legal would be ineligible. With regard to the other costs listed below, please explain how they have not been allocated to or paid by another fund source.**

Proposed TCAP Reimbursements	
Construction - Residential	\$ 863,191
Taxes	\$ 83,085
Insurance	\$ 45,163
Construction Loan Extension Fee	\$ 89,736
Lender Legal	\$ 25,000
Partnership Legal	\$ 31,825
	\$ 1,140,000

5. Finally, please update the Annual Operating Expenses and Proforma tabs to reflect the reduced Property Taxes (\$60,662 in year 1) as a result of the ownership transfer to a nonprofit GP that was approved at the 12/6/18 TDHCA Board meeting. See the attached revised application pages for Tab 26 and Tab 31 reflecting the reduced property taxes from a 50% property tax exemption.

Pending any questions from you, we will upload these documents via the FTP site. As discussed, we are aiming to have all questions resolved by Friday, March 15.

-Simon

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Thursday, February 28, 2019 1:49 PM
To: Simon Fraser <simon.fraser@housingpartners.com>
Cc: Monte Heaton <monte.heaton@housingpartners.com>
Subject: RE: El Sereno [18509] - RFI 3 Responses

For the deficiency regarding unit sizes in the attached email, please confirm that the Site Plan from February 2016 is correct while the Site Plan from April 2017 is incorrect, and that the total net area is 100,125 sf, not 100,704 sf as indicated in the Site Plan from April 2017.

For the deficiency regarding Match, I did not see any new information that clears this deficiency. Please provide 5% Match in accordance with [10 TAC §13.2\(8\)](#).

For the waiver requests, please consolidate all of the waiver requests (attached) into one letter and focus in on how the need for the waivers was both not foreseeable and preventable in accordance with [10 TAC 10.207\(1\)](#), and how the waivers, should they be granted, better serve the policies and purposes articulated in [Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701](#) in accordance with [10 TAC 10.207\(2\)](#).

Now that construction is complete, please confirm that the costs that would be requested for reimbursement with the \$1.14 million in Direct Loan funds would not be those listed in [10 TAC 13.3\(e\)](#). Also, please provide a description of the costs that would be requested for reimbursement with Direct Loan funds.

Finally, please update the Annual Operating Expenses and Proforma tabs to reflect the reduced Property Taxes (\$60,662 in year 1) as a result of the ownership transfer to a nonprofit GP that was approved at the 12/6/18 TDHCA Board meeting.

Please do not hesitate to contact me if you have any questions.

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

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)).

From: Andrew Sinnott
Sent: Wednesday, February 20, 2019 12:09 PM
To: 'Simon Fraser' <simon.fraser@housingpartners.com>
Cc: Monte Heaton <monte.heaton@housingpartners.com>
Subject: RE: El Sereno [18509] - RFI 3 Responses

Confirming receipt of the 32 page PDF.

Thanks,

Andrew Sinnott
Multifamily Loan Programs Administrator
512.475.0538

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)).

From: Simon Fraser <simon.fraser@housingpartners.com>
Sent: Tuesday, February 19, 2019 4:40 PM

To: Andrew Sinnott <andrew.sinnott@mail.tdhca.state.tx.us>

Cc: Monte Heaton <monte.heaton@housingpartners.com>

Subject: El Sereno [18509] - RFI 3 Responses

Andrew,

We just uploaded the responses to the most recent RFI. We have changed the Development Cost Schedule and Financing Narrative and Sources and uses to respond to the Developer Fee issue, but will need some days to get the lender's signature on the sources and uses form. Please confirm receipt.

-Simon

Simon Fraser



simon.fraser@housingpartners.com

424-258-2914 t

424-258-2915 f



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March 8, 2019

Andrew Sinnott
Multifamily Direct Loan Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDHCA #18509 El Sereno Senior Apartments – Waiver Request

Dear Mr. Sinnott,

El Sereno (fka Borgfeld Manor) #16128 was awarded 9% LIHTC in 2016 as a new construction senior community. The El Sereno Apartments is located in and was impacted by a major disaster area, as declared by the President on August 25, 2017 and as designated by FEMA on October 11, 2017. The project delays and construction cost increases attendant to these events were unforeseen and out of our control. As such, we are requesting a waiver of the following initial underwriting related third party reports:

1. Market Study
 1. A Market Study was submitted in accordance with the guidelines of the 2016 9% LIHTC application
 2. We have 38 units occupied and an interest list approaching 600 households.
 3. The building has received a temporary certificate of occupancy
2. Environmental Site Assessment (ESA)
 1. An ESA was submitted in accordance with the guidelines of the 2016 9% LIHTC application
 2. The building has received a temporary certificate of occupancy
3. Environmental Clearance
 1. The plans received environmental clearance prior to building permits being issued.
4. Appraisal
 1. An appraisal was submitted in accordance with the guidelines of the 2016 9% LIHTC application
5. Site Design and Development Report
 1. Site Design and Development Report was reviewed and approved in accordance with the guidelines of the 2016 9% LIHTC application
 2. The building has received a temporary certificate of occupancy

The need for these waivers was both not foreseeable and preventable in accordance with 10 TAC 10.207(1). The waivers, should they be granted, further the purposes of Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701 in accordance with 10 TAC 10.207(2). Specifically, the waiver will enable us to provide seniors of low, very low, and extremely low income in Cibolo with a decent, safe and affordable living environment.

Please direct any questions to Simon Fraser, Project Manager, at 424-258-2914 or simon.fraser@housingpartners.com.

Sincerely,



Mohannad H. Mohanna
Its Managing Member



Required for Tax Exempt Bond Developments only

4% Multifamily Housing Tax Credit Program Board Meeting Selection Form

Mailing Address: P.O. Box 13941, Austin, TX 78711-3941

Physical Address: 221 East 11th Street, Austin, TX 78701

Development Name: NOT APPLICABLE

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

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

Board Meeting Date:

- January 18, 2018
- February 22, 2018
- March 22, 2018
- April 26, 2018
- May 24, 2018
- June 28, 2018
- July 12, 2018
- July 26, 2018

75 Day Deadline:

- November 3, 2017
- December 8, 2017
- January 5, 2018
- February 9, 2018
- March 9, 2018
- April 13, 2018
- April 27, 2018
- May 11, 2018

September 6, 2018

June 22, 2018

October 11, 2018

July 27, 2018

November 8, 2018

August 24, 2018

December 6, 2018

September 21, 2018

An Inducement Resolution has been approved by the Bond Issuer and a copy has been provided behind Tab 8.

Certification, Acknowledgement, and Consent of Development Owner- §10.204(1)

The *Certification, Acknowledgement, and Consent of Development Owner* is included behind this tab.

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

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

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

§10.101(a)(2) - Undesirable Site Features

§10.101(a)(3) - Undesirable Neighborhood Characteristics

§10.202(1)(M) - Termination of Relationship in an Affordable Housing Transaction

§10.901(17) - Unused Credit or Penalty Fee

Note: If any disclosures are indicated regarding §10.101(a)(3), submit the *Undesirable Neighborhood Characteristics Report Packet (UNCR)* located on the Department's website

<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>

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)*

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

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

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

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

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

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

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

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

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

in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crimes is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com;

_____ is located within 1,000 feet of a blighted or abandoned area as further described in §10.101(a)(3)(B)(iii) of the Uniform Multifamily Rules;

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

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

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

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

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

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

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

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

The Development Owner will comply with any and all notices required by the Department.

None of the criteria in subparagraphs (A) – (M) of §10.202(1) of the Uniform Multifamily Rules, related to ineligible Applicants, applies to those identified on the organizational chart for the Applicant, Developer and Guarantor.

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

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

2018 Development Owner Certification, Acknowledgement and Consent

By:

MH

Signature

Mohannad H. Mohanna

Printed Name

Managing General Partner

Title

November 28, 2018

Date

THE STATE OF _____ §

§

COUNTY OF _____ §

Before me, a notary public, *See attached* on this day personally appeared _____, 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 _____ day of _____, _____

(Seal)

Notary Public Signature

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Mohannad H. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



Applicant Eligibility Certification-§10.204(2)

The *Applicant Eligibility Certification(s)* is included behind this tab.

§10.202 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

2018 Applicant Eligibility Certification

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 time frame 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.

2018 Applicant Eligibility Certification

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

2018 Applicant Eligibility Certification

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

2018 Applicant Eligibility Certification

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.

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Mohannad H. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

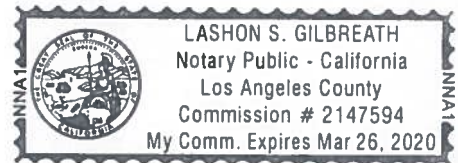
On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Alison A. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



2018 Applicant Eligibility Certification

By: 

Signature of Authorized Representative

Michael A. Costa

Printed Name

Sole Managing Member

Title

November 28, 2018

Date

*Executing on behalf of:
Highridge Costa Housing, LLC
Certo Housing Partners, LLC
Michael A. Costa (personally)*

THE STATE OF _____ §

COUNTY OF _____ §

Before me, a notary public, on this day personally appeared _____, 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 ____ day of _____, ____

See attached
(Seal)

Notary Public Signature

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

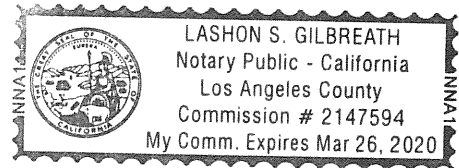
On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Michael A. Costa,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/he/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



2018 Applicant Eligibility Certification

By: *Linda S. Brown*
Signature of Authorized Representative

Linda S. Brown
Printed Name

Managing Member
Title

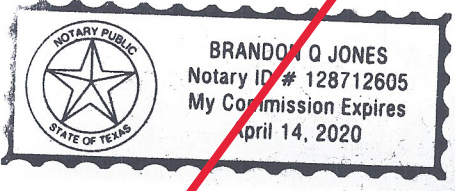
November 28, 2018
Date

THE STATE OF Texas §
COUNTY OF Dallas §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30 day of November, 2018

(Seal)



[Signature]
Notary Public Signature

2018 Applicant Eligibility Certification

By: *Sara Reidy*
Signature of Authorized Representative

Sara Reidy
Printed Name

Managing Member
Title

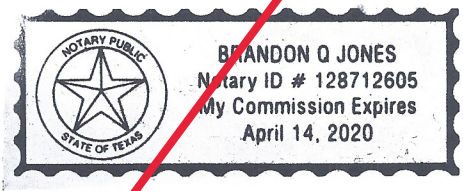
November 28, 2018
Date

THE STATE OF Texas §
COUNTY OF Dallas §

Before me, a notary public, on this day personally appeared Sara Reidy, 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 30 day of November, 2018

(Seal)



[Signature]
Notary Public Signature

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 § 11.1(d) of the Qualified Allocation Plan.

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 time frame 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 11.

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 §11.202(2)(A) of the Qualified Allocation Plan.

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 §11.202(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.

By: John Scott
Signature of Authorized Representative

John Scott
Printed Name

Board Chairman
Title

January 7, 2019
Date

THE STATE OF Texas §
COUNTY OF Howard §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of January, 2019

(Seal)



[Signature]
Notary Public Signature

By: [Handwritten Signature]
Signature of Authorized Representative

Margarito Yanez
Printed Name

Board Member
Title

January 18, 2019
Date

THE STATE OF Texas §
COUNTY OF Howard §

Before me, a notary public, on this day personally appeared Margarito Yanez, 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 18 day of January, 2019

(Seal)



[Handwritten Signature]
Notary Public Signature

2019 Applicant Eligibility Certification

By: Clifton Talbot
Signature of Authorized Representative

Clifton Talbot
Printed Name

Board Member
Title

January 7, 2019
Date

THE STATE OF Texas §
COUNTY OF Howard §

Before me, a notary public, on this day personally appeared Clifton Talbot, 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 17 day of January 2019

(Seal)



[Signature]
Notary Public Signature

2019 Applicant Eligibility Certification

By: Ricky Stone
Signature of Authorized Representative

Ricky Stone

Printed Name

Board Member

Title

January 7, 2019

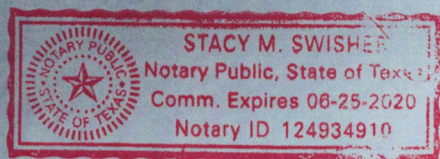
Date

THE STATE OF Texas §
COUNTY OF Harris §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of January, 2019

(Seal)



[Signature]
Notary Public Signature

By: Troy Tompkins
Signature of Authorized Representative

Troy Tompkins
Printed Name

Board Member
Title

January 7, 2019
Date

THE STATE OF Texas §
COUNTY OF Howard §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of January, 2019

(Seal)

Stacy Swisher
Notary Public Signature



ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

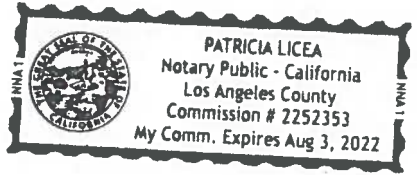
County of Los Angeles

On January 16, 2019 before me, Patricia Licea, Notary Public (here insert name and title of the officer), personally appeared Michael A. Costa, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


State of California

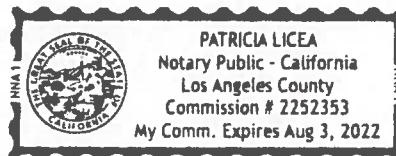
County of Los Angeles

On January 16, 2019 before me, Patricia Licea, Notary Public (here insert name and title of the officer), personally appeared Mohammad H. Mohanna, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On January 17, 2019 before me, Lori L. Ruiz, Notary Public
(insert name and title of the officer)

personally appeared Alison A. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are
subscribed to the within instrument and acknowledged to me that he/~~she~~ they executed the same in
his/~~her~~ their authorized capacity(ies), and that by his/~~her~~ their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lori L. Ruiz*

(Seal)





Attachment 1

November 30, 2019

DUPLICATE OF PRIOR SUBMISSION. - BPS

Linda Brown
 Casa Linda Development
 2010 Kessler Parkway
 Dallas, TX. 75208

RE: Purchase of HUB General Partner Interests for Highland Gardens, L.P.

Dear Linda,

Pursuant to Section 15 of the Operating Agreement of CAH-IDA "Partnership Name" dated April 30, 2008 Cascade Affordable Housing is hereby electing to exercise its option to purchase the HUB General Partner interests and remove "Current HUB" as the HUB and Managing Manager of the Company.

In accordance with TDHCA guidelines and Cascade's original intent at the closing of the Southwest Housing acquisition in May 2008, the HUB General Partner interests will then be transferred to a replacement HUB pre designated by Cascade. Cascade legal counsel Foster Pepper in Seattle, Washington will be drafting the documentation and in communication with you shortly to begin this process.

To ensure a seamless transition we would prefer that "Current HUB" remain in the Company until TDHCA has reviewed and approved all HUB transfer of General Partner interests' documentation so no disruption of Managing Member responsibilities occurs. We expect that this process can take up to 60 days or longer.

Cascade wishes to express our sincere appreciation for your participation and contribution to the Company. Please contact Stewart Hill, Partner Relations Director at (206) 215-9727 should you have any questions.

Sincerely,

Larry Goodman
 President
 Cascade Affordable Housing, LLC

LG/js

cc: Stewart Hill - Partner Relations Director - Cascade Affordable, Seattle; Brian Elizabeth Henderson, Program Specialist III - Multifamily Finance Production; Texas Department of Housing and Community Affairs, Austin, TX.; Mike Kuntz - Foster Pepper, PLLC, Seattle, WA.; Jaannie Simpson - Foster Pepper, PLLC, Seattle, WA.

DUPLICATE OF PRIOR SUBMISSION. - BPS*Issues of Noncompliance*

Attachment 2

Rosemont at Highland Gardens	Score	3
Harlingen		
ID 01058	Total Units	174
	Last Audit Date	4/9/2010

	<i>BIN # With NC</i>	<i>NC Date</i>	<i>Corrected Date</i>	<i>Issue Corrected?</i>	<i>Date 8823 Executed</i>	<i>Event Score</i>
<i>Owner failed to execute required lease provisions, including language required by Section 60.110 of the PMC rules</i>						
	All Bins-01058	1/1/2010	5/21/2010	Yes	5/21/2010	3
<i>Household income above income limit upon initial occupancy.</i>						
	0115805	11/15/2003	7/13/2004	Yes	12/3/2004	0
	0115808	3/19/2004	11/22/2004	Yes	12/3/2004	0
<i>Major violations of the Uniform Physical Condition Standards or local health, safety, and building codes.</i>						
	All Bins-01058	9/27/2007	12/7/2007	Yes	4/8/2008	0
<i>Pattern of minor violations of the Uniform Physical Condition Standards or local health, safety, and building codes.</i>						
	All Bins-01058	9/27/2007	12/7/2007	Yes	4/8/2008	0
<i>Gross rent(s) exceed tax credit limits.</i>						
	0115807	5/7/2003	9/10/2004	Yes	12/3/2004	0
	0115815	8/2/2003	9/10/2004	Yes	12/3/2004	0
	0115809	7/3/2003	9/10/2004	Yes	12/3/2004	0
<i>Low-income units occupied by nonqualified full-time students.</i>						
	0115803	4/29/2003	5/31/2004	Yes	12/3/2004	0
<i>Failure to comply with additional rent and occupancy restrictions.</i>						
	All Bins-01058	8/2/2003	9/2/2004	Yes	12/3/2004	0
<i>Transfer of Ownership.</i>						
	All Bins-01058	2/14/2008	2/14/2008	Yes	10/14/2009	0

DUPLICATE OF PRIOR SUBMISSION. - BPS



May 3, 2011

Linda Brown
Casa Linda Development
2010 Kessler Parkway
Dallas, TX. 75208

RE: Transfer Closing Documents of 1% Membership Interest in CAH-IDA Highland Gardens Housing LLC
("General Partner")

Dear Linda:

Please find enclosed the closing transcript documents for the aforementioned transactions.

On behalf of Cascade Affordable I would like to take this opportunity to express our sincere appreciation and thanks to you for your contributions over the years. You have been an important member of the organization and an instrumental contributor on each of the properties.

We wish you well in your future endeavors.

Kind Regards,

Stewart Hill
Stewart Hill

Encl/SH/js

DUPLICATE OF PRIOR SUBMISSION. - BPS

Attachment 4

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNORMichael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
 G. Kent Conine, *Chair*
 Gloria Ray, *Vice Chair*
 Leslie Bingham Escareño
 Tom H. Gann
 Lowell A. Keig
 Juan S. Muñoz, Ph.D.

February 22, 2011

Mr. Larry Goodman
 Cascade Affordable Housing
 5910 N. Central Expressway
 11th Floor
 Dallas, Texas 75206

Re: 11 Housing Tax Credit Developments – 98032, 00003, 00027, 01051, 01057, 01058, 01143, 02002, 02073, 03004 and 04222

Dear Mr. Goodman:

The Texas Department of Housing and Community Affairs received your letter of December 6, 2010. The letter requested approval for a change in the ownership structure of each of the developments numbered above. The structure would change by replacing the current HUB partner in each structure with OM Affordable Housing, LLC. OM Affordable Housing, LLC is owned by Preethi D. Sulakhe and Parashurama Rao B. Sulakhe. The substitution of OM Affordable Housing, LLC is being made as follows:

98032 / Villas at Remond – Replacing CLG Consulting, Inc. owned by Cheryl Potashnik.

00003 / Villas at Greenville – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

00027 / Rosemont at Arlington Park – Replacing El Dorado Housing Development, Inc. owned by Carlos Herrera.

01051 / Rosemont of El Dorado – Replacing El Dorado Housing Development, Inc., owned by Carlos Herrera.

01057 / Rosemont at Timbercreek – Replacing B&L Housing Development Corporation, owned by Bobby Leopold.

01058 / Rosemont of Highland Gardens – Replacing Casa Linda Development Corporation, owned by Linda Brown.

01143 / Rosemont at Laredo Vista Phase I – Replacing Villas Buenas, Inc., owned by Raul Loya.

DUPLICATE OF PRIOR SUBMISSION. - BPS

● Page 2

02002 / Primrose at Cedar Hill – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

02073 / Rosemont at Williamson Creek -- Replacing El Dorado Housing Development, Inc., owned by Carlos Herrera.

03004 / Rosemont at Lakewest – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

04222 / Primrose of Highland Meadows -- Replacing CLG Consulting, Inc, owned by Cheryl Potashnik.

Your request is granted. This letter will be forwarded to our Compliance and Asset Oversight Division and to the Real Estate Analysis Division.

Thank you for your letter.

Sincerely,



Michael Gerber
Executive Director

MFP/eh

Cc: Patricia Murphy, Chief of Compliance and Asset Oversight Division
Rosalio Banuelos, Senior Cost Certification Specialist

**AMENDED AND RESTATED OPERATING AGREEMENT OF
CAH-IDA HIGHLAND GARDENS LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT ("Agreement") is made and entered into as of April 14, 2011 by and between CAH-IDA SOUTHWEST LLC, a Delaware limited liability company ("CAH-IDA"), as a Member and Operating Manager of the Company, and OM AFFORDABLE HOUSING, LLC, a Texas limited liability company ("HUB Member"), as a Member and Managing Manager of the Company. CAH-IDA and HUB Member are referred to herein individually as a "Member" and collectively as the "Members."

STATEMENT OF BACKGROUND

WHEREAS, CAH-IDA Highland Gardens LLC (the "Company") was formed as a limited liability company pursuant to the Act (as defined herein), by the filing of the certificate of formation for the Company ("Certificate of Formation") with the Secretary of State of Delaware.

WHEREAS, the Company is governed by that certain Operating Agreement of CAH-IDA Highland Gardens LLC dated as of April 30, 2008 (the "Original Agreement").

WHEREAS, the parties hereto, being the Members and Managers of the Company, acknowledge and agree that the Company was formed for the purposes described in Section 3 of this Agreement, and that the Development Owner (as defined in Section 3) owns and operates a qualified and/or approved low-income housing project ("Development"), as defined by the Internal Revenue Code Section 42(g). Accordingly, the Development, Development Owner, and Company are subject to the rules and regulations applicable to such Development, which rules and regulations include those administered by the Texas Department of Housing and Community Affairs ("TDHCA") and thereby include any and all applicable Qualified Allocation Plan and Rules of the TDHCA ("QAP"). Among the rules and regulations to which the Development, Development Owner and Company are subject are those rules and regulations related to the HUB Member's ownership and participation interests in the Company, including the requirements that such HUB Member have an ownership interest in the Development Owner and that the HUB Member control the Development Owner throughout the "Compliance Period" (as defined in the QAP) and that the HUB Member have regular, continuous, and substantial participation in the Development ("HUB Requirements"). Further, such HUB Member is required to have its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code, and to be a certified "Historically Underutilized Business" ("HUB"), as determined by the Texas Comptroller of Public Accounts.

WHEREAS, pursuant to Section 15 of the Original Agreement, CAH-IDA has acquired the membership interests of Casa Linda Development Corporation, a Texas corporation ("Selling HUB Member") in the Company effective as of the date hereof.

WHEREAS, CAH-IDA desires to admit HUB Member as a member of the Company and HUB Member desires to acquire a membership interest in the Company and to be admitted as a member of the Company pursuant to this Agreement effective as of the date hereof.

WHEREAS, the parties hereto, being the Members and Managers of the Company, desire to amend and restate the Original Agreement upon such terms and conditions as are hereinafter

DUPLICATE OF PRIOR SUBMISSION. - BPS

IN WITNESS WHEREOF, the Managers and the Members have caused this Agreement to be effective as of the date first written above.

**MANAGING MANAGER:
AND MEMBER**

OM AFFORDABLE HOUSING, LLC,
a Texas limited liability company

By: Preethi D. Sulakhe
Preethi D. Sulakhe, President

**OPERATING MANAGER:
AND MEMBER**

CAH-IDA SOUTHWEST LLC, a Delaware limited
liability company

By: CAH-IDA HOLDINGS LLC, a Delaware limited
liability company, its manager

By: Larry Goodman
Larry Goodman, its President

DUPLICATE OF PRIOR SUBMISSION. - BPS

OPERATING AGREEMENT OF CAH-IDA HIGHLAND GARDENS LLC

APPENDIX A

Members	Percentage Interests
CAH-IDA Southwest LLC	99.0 %
OM Affordable Housing, LLC	<u>1.0 %</u>
Total	100.0 %



January 17, 2019

Ms. Marni Holloway
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

RE: Disclosure Statement for Linda S. Brown, Member, Casa Linda Affordable Housing, LLC related to 2018 El Sereno MDL Application

Dear Ms. Holloway:

The information provided in this letter is the same information provided to the Department in previous years concerning the eligibility of a proposed Applicant for Department funding. You may recall, the Department approved the eligibility of Casa Linda Development Corporation, a Texas HUB ("Casa Linda") in connection with TDHCA #16128, TDHCA #15173, TDHCA #14036, TDHCA #13046, TDHCA #12098 and for TDHCA #11127. Since Linda S. Brown is President and an Owner of Casa Linda Development Corporation and is a Member and Owner of Casa Linda Affordable Housing, LLC, we are submitting this information to you once again as required for the submission of an application for a multifamily direct loan.

This letter is written in response to required information related to possible ineligibility under §10.202(1)(M) of the 2018 Uniform Multifamily Rules. Please be advised as follows:

1. Casa Linda Development Corporation, a Texas HUB ("Casa Linda"), was 100% owned by Linda S. Brown during the period in question. In 2001, Casa Linda was co-developer with Brian Potashnik of Southwest Housing, on Highland Gardens, a 174 unit development in Harlingen, Texas ("Highland Gardens"). Casa Linda also actively served as the HUB general partner for Highland Gardens, L.P., the project owner, until 2008. During the time that Casa Linda was involved with Highland Gardens, the occupancy level was in excess of 94% and there were no uncorrected compliance issues (See Attachment 2).
2. Southwest Housing's assets were sold in bulk to Cascade Affordable Housing, LLC ("Cascade") in May 2008, with the TDHCA's approval. As part of the transaction and for



Page 2

its own convenience, Cascade reserved the right to require in the future that all existing HUB general partners in the Southwest Housing developments transfer their ownership interests to a single HUB designated by Cascade. This right was exercised by Cascade on November 30, 2010 (included in Attachment 1). The transfers of the HUB ownership interests were all made without regard to the quality of the services provided by the original HUB. Indeed, Larry Goodman, President of Cascade, thanked Casa Linda for its contribution to the project owner and requested that Casa Linda remain as the managing general partner until the TDHCA approved all the transfers of HUB ownership interests. The good standing of Casa Linda was reiterated by Stewart Hill, Partner Relations Director of Cascade, by his letter dated May 3, 2011 (See Attachment 3), in which he indicated **“On behalf of Cascade Affordable I would like to take this opportunity to express our sincere appreciation and thanks to you for your contributions over the years. You have been an important member of the organization and an instrumental contributor on each of the properties.**

The HUB transfers were all approved by the TDHCA on February 22, 2011 (See Attachment 4). Casa Linda’s ownership interest in CAH-IDA Highland Gardens LLC was transferred to OM Affordable Housing, LLC, a Texas HUB, which was substituted into the company on April 14, 2011 (See Attachment 5), which is selected pages from the Amended and Restated Operating Agreement in which the new HUB is substituted in for Casa Linda).

3. Because Casa Linda’s assignment of its ownership interest was technically a voluntary exit, the circumstances were disclosed to the TDHCA in connection with the 2011 Competitive Application Round. After review, Michael Gerber stated in a letter dated January 12, 2011: **“The Department has reviewed the circumstances of the Developer’s exist from the HUB General Partnership interests in Highland Gardens, L.P. and believes that this does not raise to a level of concern for eligibility purposes in the 2011 Tax Credit Application Round.”** (See Attachment 6).
4. Below are the following responses to the subsections (M)(i)-(v) of §10.202(1) Applicants:
 - i. No – Casa Linda did not invest more in Highland Gardens than it received in payments from the Project.
 - ii. No- Casa Linda did not have the ability to negotiate terms other than the exit because Cascade wanted to consolidate all its Texas HUB projects under a single special-purpose HUB.




Page 3

- iii. No- The contributing causative fact that resulted in Casa Linda's exit from the Highland Gardens, L.P. was the Southwest Housing bulk sale of properties to Cascade, and Casa Linda had no control over that.
- iv. The compliance history of Highland Gardens during Casa Linda's involvement as HUB General Partner is shown on Attachment 2 and indicates that Highland Gardens was in material compliance with TDHCA requirements during Casa Linda's supervision.
- v. No-There are no other facts or circumstances that have a material bearing on the question of the person's ability to be compliant and an effective participant in a proposed Application.

The details of Casa Linda's exit from the Highland Gardens partnership clearly indicate that Casa Linda's performance as a HUB general partner was not an issue. The transfer was a structural reorganization desired by Cascade for all of its Texas developments that had HUB general partners, and was intended to consolidate administration of the numerous tax credit developments it acquired from Southwest Housing. Casa Linda was found to be eligible for the 2011, 2012, 2013, 2014, 2015 and 2016 Competitive Round, having fully complied with the requirements of §10.202(1)(M) of the 2018 Uniform Multifamily Rules.

Very truly yours,


Linda S. Brown
Member

Enclosures

CERTO HOUSING PARTNERS, LLC

January 23, 2018

Mr. Tim Irvine,
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

Re: Disclosure Statement of Certo Housing Partners, LLC, the proposed Applicant in the 2018 TDHCA Competitive 9% tax credit application round.

Dear Mr. Irvine:

Pursuant to the TDHCA Uniform Multifamily Rules (§10.202(1)(M) – Termination of Relationship in an Affordable Housing Transaction, please be advised that Finlay Interests 21, Ltd., transferred its ownership interest in TownParc at Paris (HTC 01121) (the “Development”) to Town Parc Investors, LLC on December 22, 2017.

The contact information for Town Parc Investors, LLC is:

Vaughn C. Zimmerman
Wilhoit Properties
1730 E. Republic Road, Suite F
Springfield, MO 65804

Enclosed please find a copy of the Ownership Transfer Approval dated December 1, 2017 conditionally granting the ownership transfer of the Development along with a copy of the recorded Special Warranty Deed evidencing said transfer.

Sincerely,

Certo Housing Partners, LLC,
a California limited liability company



Michael A. Costa,
its Sole Managing Member



Ownership Transfer Approval

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS

J.B. Goodwin, *Chair*
Leslie Bingham-Escareño, *Vice Chair*
Paul A. Braden, Member
Asusena Reséndiz, Member
Sharon Thomason, Member
Leo Vasquez, Member

December 1, 2017

Writer's direct dial: (512) 475-3296

Email: tim.irvine@tdhca.state.tx.us

Vaughn C. Zimmerman
Wilhoit Properties
1730 E. Republic Road, Suite F
Springfield, MO 65804

RE: TOWN PARC AT PARIS (THE "DEVELOPMENT")
HTC #01121
OWNERSHIP TRANSFER APPROVAL

Dear Mr. Zimmerman:

The Texas Department of Housing and Community Affairs (the "Department") received your ownership transfer request on October 19, 2017, requesting the Department's approval for a transfer of 100% of the ownership interest of the Development referenced above as a result of a sale of the property. Finlay Interests, Ltd. (the "Current Owner") will sell its interest in the Development to a new entity, Town Parc Housing, LLC (the "New Owner").

The Land Use Restriction Agreement ("LURA") requires that *"if at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, this agreement shall serve as evidence that the sponsor agrees to provide, and provides, to a qualified nonprofit organization (as defined in §42(h)(5)(C) of the code) or a tenant organization, a right of first refusal to purchase the Project for the minimum purchase price..."* Staff has confirmed that the Development is still within its initial fifteen year Compliance Period, which expires December 31, 2017. Therefore, this transfer does not trigger the LURA-referenced "right of first refusal" ("ROFR") as long as closing of this transfer occurs on or before the expiration of the fifteenth year. You have conveyed to staff that closing is expected to occur on or before December 31, 2017.

Your request for approval is conditionally granted, and is expressly conditioned upon the Department's receipt of documentation that closing on this transaction occurred prior to December 31, 2017. The New Owner takes the property subject to all the terms and restrictions currently in place. This conditional approval letter anticipates that you will promptly satisfy the condition, which will result in correspondence from TDHCA accepting documentation of the timely satisfaction of the condition. Without this confirmation from TDHCA, this conditional approval letter is a nullity and is revoked.

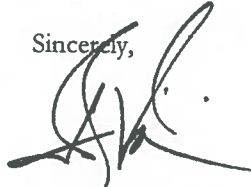
The new owner, or authorized representative thereof, has affirmed through a signed and notarized Owner Certification, dated October 24, 2017, that they have read and understand the Uniform Multifamily Rules (Title 10, Texas Administrative Code, Chapter 10), the Qualified Allocation Plan, and the provisions under which the application for an HTC award was made. The new owner has further affirmed that they have read the Declaration of



Land Use Restrictive Covenants/Agreement (LURA) that applies to the applicable Development and is aware of the representations of the Application that the LURA contains. This letter and the aforementioned certification may be recorded in the property records of the county in which the property resides but the Department's failure to do so does not have any effect whatsoever on the enforceability of the LURA or said certification.

If you have any questions please contact the Asset Manager assigned to this development, Kent Bedell, at (512) 475-3882 or via email at kent.bedell@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy K. Irvine', written over a horizontal line.

Timothy K. Irvine
Executive Director

TKI/kb

Special Warranty Deed

WHEN RECORDED RETURN TO:

Town Parc Investors, LLC
1730 E. Republic Road, Suite F
Springfield, MO 65804
Attn: Vaughn C. Zimmerman

SPECIAL WARRANTY DEED

STATE OF TEXAS)
) KNOWN ALL BY THESE PRESENTS:
COUNTY OF LAMAR)

THAT, Finlay Interests 21, LTD., a Florida limited partnership ("Grantor"), whose mailing address is c/o Highridge Costa Investors, LLC, 330 W. Victoria Street, Gardena, CA 90248, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to it in hand paid by Town Parc Investors, LLC, a Missouri limited liability company ("Grantee"), whose mailing address is 1730 E. Republic Road Suite F, Springfield, MO 65804, the receipt and sufficiency of which consideration are hereby acknowledged, and upon and subject to the provisions hereinafter set forth and described, has GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents does hereby GRANT, BARGAIN, SELL and CONVEY, unto Grantee all of the real property situated in Lamar County, Texas, described on Exhibit A attached hereto and made a part hereof for all purposes (the "Property").

This Special Warranty Deed is made and accepted expressly subject to the following (the "Permitted Exceptions"):

- 1. All current and/or delinquent real property taxes and assessments (whether general, special or otherwise);
2. All covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication, encumbrances, liens and easements of record or apparent from an accurate physical inspection or survey of the Property; and
3. The rights of any tenants or any other occupants under any leases, subleases and other occupancy agreements.

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its successors and assigns, forever; and Grantor does hereby covenant with Grantee that, except for the Permitted Exceptions, at the time of delivery of this Special Warranty Deed, the Property was free from all encumbrances made by Grantor, and Grantor will warrant and defend all and singular the Property unto Grantee, its successors and assigns, against



the claims and demands of all persons lawfully claiming by, through or under Grantor, but not otherwise.


[Executed and acknowledged on the following page]

IN WITNESS WHEREOF, Grantor executes this Deed on the date of acknowledgement set forth below.

Dated: December 22, 2017

FINLAY INTERESTS 21, LTD.,
a Florida limited partnership

By: Affordable Multi-Family, LLC,
a Colorado limited liability company,
its Managing General Partner

By: 
Name: Jeffrey H. Sussman
Its: Senior Vice President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF California)
COUNTY OF Los Angeles) ss:

On December 21, 2017 before me, Martha E. Lennig Notary Public, personally appeared Jeffrey H. Sussman, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Martha E. Lennig

[Seal]

EXHIBIT A TO DEED

LEGAL DESCRIPTION

All that real property situated in the City of Paris, County of Lamar, State of Texas and more particularly described as follows:

SITUATED WITHIN THE CORPORATE LIMITS OF THE CITY OF PARIS, LAMAR COUNTY, TEXAS, A PART OF THE REDING RUSSELL SURVEY, ABSTRACT 786, AND BEING A PART OF CITY BLOCK 251, LOTS 11, 12, 13, AND 15 AS SHOWN BY PLAT RECORDED IN ENVELOPE 296-B OF THE LAMAR COUNTY PLAT RECORDS, AND BEING THE SAME LAND CONVEYED TO FINLAY INTERESTS 21, LTD., BY DEED RECORDED IN VOLUME 1121, PAGE 300, OF THE LAMAR COUNTY REAL PROPERTY RECORDS, AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT AN AXLE SPINDLE FOUND AT THE SOUTHWEST CORNER OF SAID FINLAY TRACT, SAID AXLE BEING THE NORTHWEST CORNER OF LOT 9 AS CONVEYED TO BENNY RHOADES BY DEED RECORDED IN VOLUME 679, PAGE 628 OF THE LAMAR COUNTY DEED RECORDS, ALSO BEING IN THE EAST LINE OF A TRACT OF LAND CONVEYED TO DOROTHY EDZARDS BY DEED RECORDED IN VOLUME 1082, PAGE 068, OF THE LAMAR COUNTY REAL PROPERTY RECORDS;

THENCE NORTH 0° 05' 48" EAST A DISTANCE OF 344.92 FEET TO A POINT FOR CORNER; THENCE NORTH 0° 19' 40" EAST A DISTANCE OF 459.22 FEET TO AN AXLE SPINDLE FOUND AT THE NORTHWEST CORNER OF SAID FINLAY TRACT, SAID AXLE BEING SOUTH 83° 08' 43" WEST A DISTANCE OF 1.88 FEET FROM A FOUND IRON PIN, SAID AXLE ALSO BEING IN THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO VIRGIL LEE WILLIAMS AND WIFE, FLORA JANE WILLIAMS, BY DEED RECORDED IN VOLUME 679, PAGE 597 OF THE LAMAR COUNTY DEED RECORDS; THENCE SOUTH 89° 21' 45" EAST A DISTANCE OF 308.68 FEET TO AN AXLE SPINDLE FOUND FOR CORNER AT A METAL FENCE CORNER POST AT THE MOST NORTHERLY NORTHEAST CORNER OF THE FINLAY TRACT, SAID SPINDLE BEING THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO ENLOE STATE BANK BY DEED RECORDED IN VOLUME 1061, PAGE 42 OF THE LAMAR COUNTY REAL PROPERTY RECORDS;

THENCE SOUTH 01° 48' 39" EAST A DISTANCE OF 234.01 FEET TO AN IRON PIN FOUND FOR CORNER, BEING THE SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED BY J. B. LOWRY BY DEED RECORDED IN VOLUME 652, PAGE 228, OF THE LAMAR COUNTY DEED RECORDS;

THENCE SOUTH 00° 20' 04" EAST A DISTANCE OF 403.04 FEET TO AN IRON PIN FOUND AT AN INSIDE CORNER OF THE FINLAY TRACT, SAID PIN ALSO BEING THE SOUTHWEST CORNER OF LOT 12 AS CONVEYED TO H. BYRON DENNIS AND WIFE, RUTH DENNIS, BY DEED RECORDED IN VOLUME 141, PAGE 146 OF THE LAMAR COUNTY REAL PROPERTY RECORDS;

THENCE SOUTH 88° 52' 59" EAST A DISTANCE OF 346.90 FEET TO AN AXLE SPINDLE FOUND FOR CORNER;

THENCE SOUTH 01° 11' 08" WEST A DISTANCE OF 22.63 FEET TO AN AXLE SPINDLE FOUND FOR CORNER;

THENCE SOUTH 88° 44' 15" EAST A DISTANCE OF 100.00 FEET TO A P-K NAIL AND SHINER SET IN ASPHALT FOR CORNER IN THE WEST R.O.W. OF BUSINESS HIGHWAY 271 AND IN A CURVE TO THE LEFT HAVING A RADIUS OF 2446.10 FEET, SAID NAIL BEING THE MOST EASTERLY NORTHEAST CORNER OF THE FINLAY TRACT;

THENCE SOUTHERLY WITH SAID WEST R.O.W. AND AROUND SAID CURVE TO THE LEFT, LONG CHORD BEARS SOUTH 09° 43' 45" WEST A DISTANCE OF 148.16 FEET, ARC DISTANCE OF 148.18 FEET TO A POINT PAINTED IN CONCRETE AT THE SOUTHEAST CORNER OF THE FINLAY TRACT, SAID POINT BEING THE NORTHEAST CORNER OF A TRACT OF LAND CONVEYED TO ROBERT CRAWFORD BY DEED RECORDED IN VOLUME 332, PAGE 125 OF THE LAMAR COUNTY REAL PROPERTY RECORDS;

THENCE NORTH 88° 55' 55" WEST A DISTANCE OF 743.05 FEET TO THE PLACE OF BEGINNING, AND

CONTAINING 7.522 ACRES OF LAND.

When Recorded Return To:
First American Title Insurance Company
National Commercial Services
601 Travis, Suite 1878
Houston, TX 77002
File No: NCS 854393

COUNTY CLERK'S MEMO:
PORTIONS OF THIS DOCUMENT
ARE NOT REPRODUCIBLE
WHEN RECORDED

COUNTY CLERK'S MEMO:
PORTIONS OF THIS DOCUMENT
ARE NOT REPRODUCIBLE
WHEN RECORDED

Casa Linda Development Corporation

January 6, 2016

Mr. Tim Irvine, Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

RE: Disclosure Statement for Linda S. Brown, a proposed Applicant in the 2016 TDHCA Competitive 9% tax credit application round

Dear Mr. Irvine:

The information provided in this letter is the same information provided to the Department last year and in previous years concerning the eligibility of a proposed Applicant for Department funding. You may recall, the Department approved the eligibility of Casa Linda Development Corporation, a Texas HUB ("Casa Linda") in connection with TDHCA #15173, TDHCA #14036, TDHCA #13046, TDHCA #12098 and for TDHCA #11127. We are submitting this information to you once again as required for the submission of an application for 2016 9% Housing Tax Credits to ensure Casa Linda is eligible, as in 2015, 2014, 2013, 2012 and in 2011, to submit an application and Department funding and appropriately represent to the various parties involved in the preparation of such an application.

This letter is written in response to required information related to possible ineligibility under §10.202(1)(M) of the 2016 Uniform Multifamily Rules. Please be advised as follows:

1. Casa Linda Development Corporation, a Texas HUB ("Casa Linda"), was 100% owned by Linda S. Brown during the period in question. In 2001, Casa Linda was co-developer with Brian Potashnik of Southwest Housing, on Highland Gardens, a 174 unit development in Harlingen, Texas ("Highland Gardens"). Casa Linda also actively served as the HUB general partner for Highland Gardens, L.P., the project owner, until 2008. During the time that Casa Linda was involved with Highland Gardens, the occupancy level was in excess of 94% and there were no uncorrected compliance issues (See Attachment 2).
2. Southwest Housing's assets were sold in bulk to Cascade Affordable Housing, LLC ("Cascade") in May 2008, with the TDHCA's approval. As part of the transaction and for

Casa Linda Development Corporation

Page 2

its own convenience, Cascade reserved the right to require in the future that all existing HUB general partners in the Southwest Housing developments transfer their ownership interests to a single HUB designated by Cascade. This right was exercised by Cascade on November 30, 2010 (included in Attachment 1). The transfers of the HUB ownership interests were all made without regard to the quality of the services provided by the original HUB. Indeed, Larry Goodman, President of Cascade, thanked Casa Linda for its contribution to the project owner and requested that Casa Linda remain as the managing general partner until the TDHCA approved all the transfers of HUB ownership interests. The good standing of Casa Linda was reiterated by Stewart Hill, Partner Relations Director of Cascade, by his letter dated May 3, 2011 (See Attachment 3), in which he indicated **“On behalf of Cascade Affordable I would like to take this opportunity to express our sincere appreciation and thanks to you for your contributions over the years. You have been an important member of the organization and an instrumental contributor on each of the properties.**

The HUB transfers were all approved by the TDHCA on February 22, 2011 (See Attachment 4). Casa Linda’s ownership interest in CAH-IDA Highland Gardens LLC was transferred to OM Affordable Housing, LLC, a Texas HUB, which was substituted into the company on April 14, 2011 (See Attachment 5, which is selected pages from the Amended and Restated Operating Agreement in which the new HUB is substituted in for Casa Linda).

3. Because Casa Linda’s assignment of its ownership interest was technically a voluntary exit, the circumstances were disclosed to the TDHCA in connection with the 2011 Competitive Application Round. After review, Michael Gerber stated in a letter dated January 12, 2011: **“The Department has reviewed the circumstances of the Developer’s exit from the HUB General Partnership interests in Highland Gardens, L.P. and believes that this does not raise to a level of concern for eligibility purposes in the 2011 Tax Credit Application Round.”** (See Attachment 6).

Casa Linda Development Corporation

Page 3

4. Below are the following responses to the subsections (M)(i)-(v) of §10.202(1) Applicants:
- i. No – Casa Linda did not invest more in Highland Gardens than it received in payments from the Project.
 - ii. No- Casa Linda did not have the ability to negotiate terms other than the exit because Cascade wanted to consolidate all its Texas HUB projects under a single special-purpose HUB.
 - iii. No- The contributing causative fact that resulted in Casa Linda’s exit from the Highland Gardens, L.P. was the Southwest Housing bulk sale of properties to Cascade, and Casa Linda had no control over that.
 - iv. The compliance history of Highland Gardens during Casa Linda’s involvement as HUB General Partner is shown on Attachment 2 and indicates that Highland Gardens was in material compliance with TDHCA requirements during Casa Linda’s supervision.
 - v. No-There are no other facts or circumstances that have a material bearing on the question of the person’s ability to be compliant and an effective participant in a proposed Application.

The details of Casa Linda’s exit from the Highland Gardens partnership clearly indicate that Casa Linda’s performance as a HUB general partner was not an issue. The transfer was a structural reorganization desired by Cascade for all of its Texas developments that had HUB general partners, and was intended to consolidate administration of the numerous tax credit developments it acquired from Southwest Housing. Casa Linda was found to be eligible for the 2011, 2012, 2013, 2014 and 2015 Competitive Round, having fully complied with the requirements of §10.202(1)(M) of the 2016 Uniform Multifamily Rules.

Very truly yours,



Linda S. Brown
President

Enclosures

Cc: Marni Holloway, TDHCA Director of Multifamily Finance
Sharon Gamble, TDHCA 9% Housing Tax Credit Program Administrator

**Fw: Purchase of Casa Linda GP Interests**

Monday, December 13, 2010 8:40 AM

From: "lindasbrown@att.net" <lindasbrown@att.net>**To:** "Raquel Morales" <raquel.morales@tdhca.state.tx.us>**Cc:** "Sara Reidy" <sarareidy@att.net>, "Rick Schell" <rick@rickschell.com>

Hi Raquel, As requested, here is the clarification from Stewart Hill with Cascade. Please let me know as soon as possible what TDHCA's position is related to my eligibility as an applicant in the 2011 round. Thanks!

Linda S. Brown,
lindasbrown@att.net
Phone: 214-941-0090

--- On Fri, 12/10/10, Stewart Hill <Shill@pinnaclefamily.com> wrote:

From: Stewart Hill <Shill@pinnaclefamily.com>
Subject: Purchase of Casa Linda GP Interests
To: "lindasbrown@att.net" <lindasbrown@att.net>
Cc: "Jeannie Shipley" <Jshipley@pinnaclefamily.com>
Date: Friday, December 10, 2010, 6:40 PM

Linda,

Further to our conversation of December 9, 2010 this email is intended to add further clarification to the letter dated November 30, 2010 signed by Larry Goodman and detailing Cascade Affordable Housing's "Cascade" intent to purchase the Casa Linda GP interests in CAH-IDA Highland Gardens, LLC.

At the time the Southwest Housing acquisition was completed in May 2008, it was the expressed intention of Cascade that all HUB GP interests in the portfolio would be acquired by Cascade, or 1 affiliated HUB, or 1 non affiliated HUB within 6 months of acquisition closing. While the recent notification to purchase these HUB GP interests is significantly later than originally planned it should be interpreted as a continuing action of the original acquisition.

The timing of the current action to purchase these HUB GP interests has been determined by the new leadership at Cascade and the mandate to complete old business. It should be expressly understood that the purchase of the Casa Linda GP interests at CAH-IDA Highland Gardens, LLC by Cascade in no way is a reflection of the services provided, or quality of professional oversight during its time within the company. Cascade has been very pleased with the Casa Linda contribution to the partnership and would like to extend our sincere appreciation for its oversight of the property.

Cascade would like to thank Casa Linda in advance for its continued oversight of the property until such time as the acquisition of its GP interests has been completed.

Please feel free to contact me at any time if you have further questions.

Sincerely,

Stewart Hill
Partner Relations Director
Cascade Affordable Housing LLC
2801 Alaskan Way, Suite 200
Seattle, Washington 98121
Direct (206) 215-9727
Cell (425) 591-7780
shill@pinnaclefamily.com
www.cascadeaffordable.com

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November 30, 2010

Linda Brown
 Casa Linda Development
 2010 Kessler Parkway
 Dallas, TX. 75208

RE: Purchase of HUB General Partner Interests for Highland Gardens, L.P.

Dear Linda,

Pursuant to Section 15 of the Operating Agreement of CAH-IDA "Partnership Name" dated April 30, 2008 Cascade Affordable Housing is hereby electing to exercise its option to purchase the HUB General Partner interests and remove "Current HUB" as the HUB and Managing Manager of the Company.

In accordance with TDHCA guidelines and Cascade's original intent at the closing of the Southwest Housing acquisition in May 2008, the HUB General Partner interests will then be transferred to a replacement HUB pre designated by Cascade. Cascade legal counsel Foster Pepper in Seattle, Washington will be drafting the documentation and in communication with you shortly to begin this process.

To ensure a seamless transition we would prefer that "Current HUB" remain in the Company until TDHCA has reviewed and approved all HUB transfer of General Partner interests' documentation so no disruption of Managing Member responsibilities occurs. We expect that this process can take up to 60 days or longer.

Cascade wishes to express our sincere appreciation for your participation and contribution to the Company. Please contact Stewart Hill, Partner Relations Director at (206) 215-9727 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Goodman", is written over a faint, illegible typed name.

Larry Goodman
 President
 Cascade Affordable Housing, LLC

LG/js

cc: Stewart Hill - Partner Relations Director, Cascade Affordable, Seattle, WA; Elizabeth Henderson, Program Specialist III - Multifamily Finance Production; Text: Department of Housing and Community Affairs, Austin, TX.; Mike Kuntz - Foster Pepper, P.C., Seattle, WA; Jeanne Simpson - Foster Pepper, P.C., Seattle, WA.

Issues of Noncompliance

Rosemont at Highland Gardens		Score	3
Harlingen			
ID 01058	Total Units 174	Last Audit Date	4/9/2010

<i>BIN # With NC</i>	<i>NC Date</i>	<i>Corrected Date</i>	<i>Issue Corrected?</i>	<i>Date 8823 Executed</i>	<i>Event Score</i>
<i>Owner failed to execute required lease provisions, including language required by Section 60.110 of the PMC rules</i>					
All Bins-01058	1/1/2010	5/21/2010	Yes	5/21/2010	3
<i>Household income above income limit upon initial occupancy.</i>					
0115805	11/15/2003	7/13/2004	Yes	12/3/2004	0
0115808	3/19/2004	11/22/2004	Yes	12/3/2004	0
<i>Major violations of the Uniform Physical Condition Standards or local health, safety, and building codes.</i>					
All Bins-01058	9/27/2007	12/7/2007	Yes	4/8/2008	0
<i>Pattern of minor violations of the Uniform Physical Condition Standards or local health, safety, and building codes.</i>					
All Bins-01058	9/27/2007	12/7/2007	Yes	4/8/2008	0
<i>Gross rent(s) exceed tax credit limits.</i>					
0115807	5/7/2003	9/10/2004	Yes	12/3/2004	0
0115815	8/2/2003	9/10/2004	Yes	12/3/2004	0
0115809	7/3/2003	9/10/2004	Yes	12/3/2004	0
<i>Low-income units occupied by nonqualified full-time students.</i>					
0115803	4/29/2003	5/31/2004	Yes	12/3/2004	0
<i>Failure to comply with additional rent and occupancy restrictions.</i>					
All Bins-01058	8/2/2003	9/2/2004	Yes	12/3/2004	0
<i>Transfer of Ownership.</i>					
All Bins-01058	2/14/2008	2/14/2008	Yes	10/14/2009	0



May 3, 2011

Linda Brown
Casa Linda Development
2010 Kessler Parkway
Dallas, TX. 75208

RE: Transfer Closing Documents of 1% Membership Interest In CAH-IDA Highland Gardens Housing LLC
("General Partner")

Dear Linda:

Please find enclosed the closing transcript documents for the aforementioned transactions.

On behalf of Cascade Affordable I would like to take this opportunity to express our sincere appreciation and thanks to you for your contributions over the years. You have been an important member of the organization and an instrumental contributor on each of the properties.

We wish you well in your future endeavors.

Kind Regards,

A handwritten signature in cursive script that reads "Stewart Hill".

Stewart Hill

Encl/SH/js



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdbca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

February 22, 2011

Mr. Larry Goodman
Cascade Affordable Housing
5910 N. Central Expressway
11th Floor
Dallas, Texas 75206

Re: 11 Housing Tax Credit Developments – 98032, 00003, 00027, 01051, 01057, 01058, 01143, 02002, 02073, 03004 and 04222

Dear Mr. Goodman:

The Texas Department of Housing and Community Affairs received your letter of December 6, 2010. The letter requested approval for a change in the ownership structure of each of the developments numbered above. The structure would change by replacing the current HUB partner in each structure with OM Affordable Housing, LLC. OM Affordable Housing, LLC is owned by Preethi D. Sulakhe and Parashurama Rao B. Sulakhe. The substitution of OM Affordable Housing, LLC is being made as follows:

98032 / Villas at Remond – Replacing CLG Consulting, Inc. owned by Cheryl Potashnik.

00003 / Villas at Greenville – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

00027 / Rosemont at Arlington Park – Replacing El Dorado Housing Development, Inc. owned by Carlos Herrera.

01051 / Rosemont of El Dorado – Replacing El Dorado Housing Development, Inc., owned by Carlos Herrera.

01057 / Rosemont at Timbercreek – Replacing B&L Housing Development Corporation, owned by Bobby Leopold.

01058 / Rosemont of Highland Gardens – Replacing Casa Linda Development Corporation, owned by Linda Brown.

01143 / Rosemont at Laredo Vista Phase I – Replacing Villas Buenas, Inc., owned by Raul Loya.

● Page 2

02002 / Primrose at Cedar Hill – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

02073 / Rosemont at Williamson Creek – Replacing El Dorado Housing Development, Inc., owned by Carlos Herrera.

03004 / Rosemont at Lakewest – Replacing CLG Consulting, Inc., owned by Cheryl Potashnik.

04222 / Primrose of Highland Meadows – Replacing CLG Consulting, Inc, owned by Cheryl Potashnik.

Your request is granted. This letter will be forwarded to our Compliance and Asset Oversight Division and to the Real Estate Analysis Division.

Thank you for your letter.

Sincerely,



Michael Gerber
Executive Director

MFP/eh

Cc: Patricia Murphy, Chief of Compliance and Asset Oversight Division
Rosalio Banuelos, Senior Cost Certification Specialist

**AMENDED AND RESTATED OPERATING AGREEMENT OF
CAH-IDA HIGHLAND GARDENS LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT (“Agreement”) is made and entered into as of April 14, 2011 by and between CAH-IDA SOUTHWEST LLC, a Delaware limited liability company (“CAH-IDA”), as a Member and Operating Manager of the Company, and **OM AFFORDABLE HOUSING, LLC**, a Texas limited liability company (“HUB Member”), as a Member and Managing Manager of the Company. CAH-IDA and HUB Member are referred to herein individually as a “Member” and collectively as the “Members.”

STATEMENT OF BACKGROUND

WHEREAS, CAH-IDA Highland Gardens LLC (the “Company”) was formed as a limited liability company pursuant to the Act (as defined herein), by the filing of the certificate of formation for the Company (“Certificate of Formation”) with the Secretary of State of Delaware.

WHEREAS, the Company is governed by that certain Operating Agreement of CAH-IDA Highland Gardens LLC dated as of April 30, 2008 (the “Original Agreement”).

WHEREAS, the parties hereto, being the Members and Managers of the Company, acknowledge and agree that the Company was formed for the purposes described in Section 3 of this Agreement, and that the Development Owner (as defined in Section 3) owns and operates a qualified and/or approved low-income housing project (“Development”), as defined by the Internal Revenue Code Section 42(g). Accordingly, the Development, Development Owner, and Company are subject to the rules and regulations applicable to such Development, which rules and regulations include those administered by the Texas Department of Housing and Community Affairs (“TDHCA”) and thereby include any and all applicable Qualified Allocation Plan and Rules of the TDHCA (“QAP”). Among the rules and regulations to which the Development, Development Owner and Company are subject are those rules and regulations related to the HUB Member’s ownership and participation interests in the Company, including the requirements that such HUB Member have an ownership interest in the Development Owner and that the HUB Member control the Development Owner throughout the “Compliance Period” (as defined in the QAP) and that the HUB Member have regular, continuous, and substantial participation in the Development (“HUB Requirements”). Further, such HUB Member is required to have its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code, and to be a certified “Historically Underutilized Business” (“HUB”), as determined by the Texas Comptroller of Public Accounts.

WHEREAS, pursuant to Section 15 of the Original Agreement, CAH-IDA has acquired the membership interests of Casa Linda Development Corporation, a Texas corporation (“Selling HUB Member”) in the Company effective as of the date hereof.

WHEREAS, CAH-IDA desires to admit HUB Member as a member of the Company and HUB Member desires to acquire a membership interest in the Company and to be admitted as a member of the Company pursuant to this Agreement effective as of the date hereof.

WHEREAS, the parties hereto, being the Members and Managers of the Company, desire to amend and restate the Original Agreement upon such terms and conditions as are hereinafter

IN WITNESS WHEREOF, the Managers and the Members have caused this Agreement to be effective as of the date first written above.

**MANAGING MANAGER:
AND MEMBER**

OM AFFORDABLE HOUSING, LLC,
a Texas limited liability company

By: Preethi D. Sulakhe
Preethi D. Sulakhe, President

**OPERATING MANAGER:
AND MEMBER**

CAH-IDA SOUTHWEST LLC, a Delaware limited
liability company

By: CAH-IDA HOLDINGS LLC, a Delaware limited
liability company, its manager

By: Larry Goodman
Larry Goodman, its President

OPERATING AGREEMENT OF CAH-IDA HIGHLAND GARDENS LLC

APPENDIX A

Members	Percentage Interests
CAH-IDA Southwest LLC	99.0 %
OM Affordable Housing, LLC	1.0 %
Total	100.0 %



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

January 12, 2011

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tom H. Gann
Lowell A. Keig
Juan S. Muñoz, Ph.D.

Linda Brown
Casa Linda Development Corporation
2010 Kessler Parkway
Dallas, TX 75208

Re: Determination as to Eligibility of Casa Linda Development Corporation ("Developer")

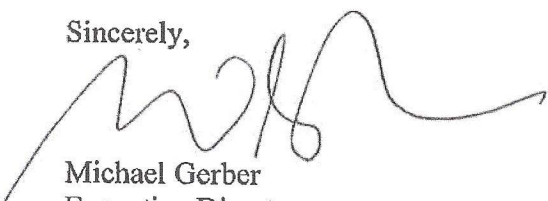
Dear Ms. Brown:

The Department has received your request regarding a determination under §49.4(a)(9) of the 2011 Qualified Allocation Plan that the Developer is eligible to participate in the 2011 Tax Credit Application Round.

The Department has reviewed the circumstances of the Developer's exit from the HUB General Partnership interests in Highland Gardens, L.P. and believes that this does not raise to a level of concern for eligibility purposes in the 2011 Tax Credit Application Round.

Should you have any questions please contact Raquel Morales at (512) 475-1676 or via email at raquel.morales@tdhca.state.tx.us.

Sincerely,



Michael Gerber
Executive Director

rbm

ENDORSEMENT T-3

Attached to and made a part of **CHICAGO TITLE INSURANCE COMPANY** Policy or Interim Construction Binder Number **44-903-101-4713007118** this date: **October 5, 2018**

(a) Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

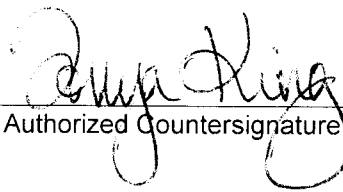
1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company, does, however, insure against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior endorsement to said policy."
4. Paragraph 4 of this endorsement is intentionally deleted.
5. Paragraph 5 of this endorsement is intentionally deleted.

(b) The coverage under said policy as of the date hereof is \$10,502,284.43. *DAV*

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

Chicago Title Insurance Company

By



Authorized Countersignature

Multifamily Direct Loan Certification

X

Multifamily Direct Loan Certification is included behind this tab.

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

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

<http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>

Multifamily Direct Loan Certification

I (We) hereby make application to the Texas Department of Housing and Community Affairs (the "Department") for an award of Multifamily Direct Loan funds, which may be composed of HOME Investment Partnerships Program ("HOME"), Tax Credit Assistance Program Repayment Funds "TCAP RF," Neighborhood Stabilization Program Round 1 Program Income ("NSP1 PI"), and/or National Housing Trust Fund ("NHTF"). The undersigned hereby acknowledges that an award by the Department does not warrant that the Development is deemed qualified to receive such award. I (We) agree 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 Multifamily Direct Loan; therefore, I (We) assume the risk of all damages, losses, costs, and expenses related thereto and agree to indemnify and save 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 decision concerning this application for Multifamily Direct Loan funds or the use of information concerning the Multifamily Direct Loan.

On behalf of the Applicant and all affiliates of the Applicant (hereinafter "Applicant"), I (We) hereby certify that the Applicant is familiar with the state Rules, as published in 10 TAC Chapters 1, 2, 10, and 13, as well as Chapters 11 and 12 as applicable. I (We) hereby acknowledge that this Application is subject to disclosure under Chapter 552, Texas Government Code, the Texas Public Information Act, unless a valid exception exists.

I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the Multifamily Direct Loan are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made and the Department may rely on any such statements.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §37.01 et seq. (Vernon 2011).

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant's competitive advantage, the Department will disqualify the Applicant and may hold the Applicant ineligible to apply for Multifamily Direct Loan funds or until any issue of restitution is resolved. If false information is discovered after the award of

2018 Multifamily Direct Loan Certification

Multifamily Direct Loan funds, the Department may terminate the Applicant's written agreement and recapture all Multifamily Direct Loan funds expended.

I (We) shall not, in the provision of services, or in any other manner discriminate against any person on the basis of age, race, color, religion, sex, national origin, familial status, or disability. Verification of any of the information contained in this application may be obtained from any source named herein.

I (We) have written below the name of the individual authorized to execute the Multifamily Direct Loan agreement and any and all future Multifamily Direct Loan commitments and contracts related to this application. If this individual is replaced by the organization, I (We) must inform the Department within 30 days of the person authorized to execute agreements, commitment and/or contracts on behalf of the Applicant.

I (We) certify that no person or entity that would benefit from the award of Multifamily Direct Loan funds has committed to providing a source of match.

I (We) certify that I (We) will meet, Texas Minimum Construction Standards, 2010 ADA Standards for Accessible Design, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973 as further detailed in 10 TAC Chapter 1, Subchapter B. I (We) certify that the Development will meet all local building codes or standards that may apply as well as the Uniform Physical Conditions Standards in 24 CFR §5.705

I (We) certify that if Department funds have a first lien position in the project for which assistance is being requested, assurance of completion of the development will be provided in the form of payment and performance bonds in the full amount of the construction contract, running to the Department as obligee, or equivalent guarantee in the sole determination of the Department.

I (We) certify that if refinancing is a component of the proposed development the Applicant must confirm that Multifamily Direct Loan funds will not be used to replace loans, grants or other financing by any other Federal program, or in violation of the provisions of 10 TAC §13.3(e).

I (We) certify that if other federal or governmental assistance is used in the financing of this development I (We) will notify the Texas Department of Housing and Community Affairs.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where "undocumented worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy, I (We), am convicted of a violation under 8 U.S.C Section 1324a (f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Texas Government Code Section 2264.053, not later than the 120th day after the date TDHCA notifies Name of Applicant of the violation.

On behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the federal HOME Final Rule, as published in 24 CFR Part 92, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the HOME Investment Partnerships Program and all Developments eligible to receive HOME funds will comply with such rules during the application process and, in the event of award of HOME funds, for the duration of the proposed Development.

If applying under the Supportive Housing/Soft Repayment set-aside, on behalf of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions of the interim Housing Trust Fund rule, as published in 24 CFR Part 93, and other related administrative rules and regulations and court rulings issued by the Federal government or State of Texas with respect to the NHTF and all Developments eligible to receive NHTF funds will comply with such rules during the application process and, in the event of award of NHTF funds, for the duration of the proposed Development

Lead Based Paint

I (We) certify that documentation of compliance with the Texas Environmental Lead Reduction Rules in 25 TAC Chapter 295, Subchapter I or 24 CFR Part 35 (Lead Safe Housing Rule), as applicable, will be maintained in project files. I (We) understand that for Developments subject to 24 CFR Part 25, standard forms are available in the Federal Register , as indicated by the sources noted below.

- 1) Applicability 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from Lead Safe Housing Rule.
 - a) If the property is exempt, the file should include the reason for the exemption and no further documentation is required.
 - b) if the property is covered by the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:
 - i) Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to \$5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;

- ii) Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based-paint inspection, risk assessment or paint testing;
- iii) Clearance Report 24 CFR §35.930(b) (3) – A report indicating a “clearance examination” was performed of the work site upon completion; and
- iv) Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

Threshold Certification

On behalf of the Applicant and all affiliates of the Applicant (hereinafter “Applicant”), I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the Multifamily Direct Loan Notice of Funding Availability (NOFA) approved by the Department’s Governing Board on December 15, 2016, for which I (We) am applying.

I (We) understand that housing units subsidized by Multifamily Direct Loan funds must be affordable to low, very low or extremely low-income persons. I (We) understand that mixed income rental developments may only receive funds for units that meet the Multifamily Direct Loan affordability standards. I (We) understand that all Applications intended to serve persons with disabilities must adhere to the Department’s Integrated Housing Rule at 10 TAC §1.15.

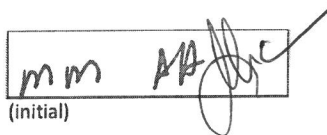
I (We) understand that, pursuant to 10 TAC §13.11(p), all contractors, consulting firms, Borrowers, Development Owners and Contract Administrators must sign and submit the appropriate documentation with each draw to attest that each request for payment of Multifamily Direct Loan funds is for the actual cost of providing a service and that the service does not violate any conflict of interest provisions in 24 CFR Part 92.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the Department. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance pursuant to 10 TAC §1.3(b). I (We) certify that, the Development will meet the broadband infrastructure requirements of 81 FR 92626, and that these costs are included in the Application.

All applicants applying under the 2018-1 Multifamily Direct Loan Notice of Funding Availability (NOFA) must read and initial after each of the following sections regarding federal cross cutting requirements in the boxes below.

HUD Section 3

I (We) hereby agree that the work to be performed in connection with any award of HOME or NHTF funds is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. I (We) agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. For more information about HUD Section 3, please reference the TDHCA website dedicated to Section 3 at: <http://www.tdhca.state.tx.us/program-services/hud-section-3/index.htm>


(initial)

Environmental

I (We) understand that the environmental effects of each activity carried out with an award of HOME funds must be assessed in accordance with the provisions of National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §4321 et seq.) and the related activities listed in HUD's implementing regulations at 24 C.F.R. parts 50, 51, 55 and 58 (NEPA regulations). Each such activity must have an environmental review completed and support documentation prepared complying with the NEPA and NEPA regulations. **No loan may close or funds be committed to an activity before the completion of the environmental review process, including the requirements of 24 CFR Part 58, and the Department has provided written clearance.**

The Department as the Responsible Entity must ensure that environmental effects of the property are assessed in accordance with the provisions of the National Environmental Policy Act of 1969 and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

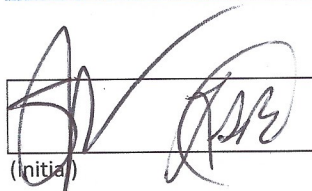
I (We) certify that all parties involved in any aspect of the development process began the project with no intention of using Federal assistance.

I (We) certify that as of the date of the Multifamily Direct Loan application all project work, other than as allowed in 24 CFR. Part 58, has ceased.

I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

HUD Section 3

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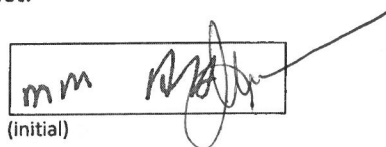
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I (We) understand that the environmental effects of each activity carried out with an award of NHTF funds must be assessed in accordance with the provisions of CPD Notice 16-14.

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

I (We) certify that we will not engage in any choice limiting actions until the site has achieved Environmental Clearance as required in CPD Notice 16-14 or 24 CFR. Part 58, as applicable. **Choice-limiting activities include but are not limited to these examples:**

- Acquisition of land, except through the use of an option agreement, regardless of funding source;
- Closing on loans including loans for interim financing;
- Signing a construction contract.


(initial)

Relocation and Anti-Displacement

The property proposed for this Application is _____ is not X occupied. (check one)

If occupied, the occupant(s) are owners _____ tenants _____

Displacement of Existing Tenants

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, and implementing regulations at 49 CFR Part 24. Consistent with the goals and objectives of activities assisted under the Act and HUD Handbook 1378, if the Development is eligible for federal funds the Applicant must prepare and submit the following to TDHCA with the Multifamily Uniform Application:

- 1) A detailed explanation of the reasons for displacement relocation;
- 2) A detailed plan of the relocation, including evidence of comparable replacement housing;
- 3) A copy of the General Information Notice (signed by the tenant or sent Certified Mail, return recipient requested) sent to all tenants on the Rent Roll listed with the Multifamily Direct Loan Application, and
- 4) Estimated costs and funding sources available to complete the permanent relocation.

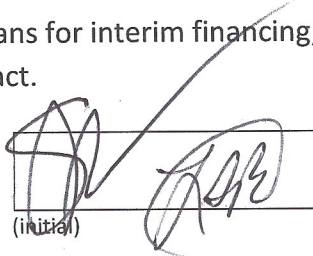
Demolition and Conversion

I (We) certify that that the work to be performed in connection with any award of federal funds is subject to 24 CFR Part 42 and Development Owner will replace all occupied and vacant

I (We) certify that I (we) have read and understand the requirements in 24 CFR §58.22 or CPD Notice 16-14, and I (we) understand that **acquisition of the site, even with non-HUD funds, prior to completion of the environmental review process will jeopardize any federal funding.**

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- Closing on loans including loans for interim financing;
- Signing a construction contract.


(initial)

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The property proposed for this Application is _____ is not **X** occupied. (check one)

If occupied, the occupant(s) are owners _____ tenants _____

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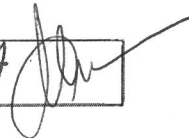
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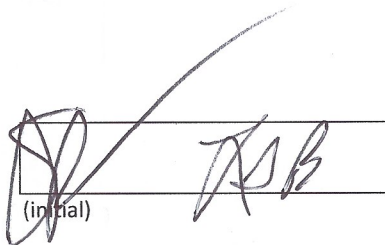
occupiable low-income housing that is demolished or converted to a use other than low-income housing as a direct result of the project. All replacement housing will be provided within three (3) years after the commencement of the demolition or conversion. Before receiving a commitment of federal funds for a project that will directly result in demolition or conversion, the project owner will make the information public in accordance with 24 CFR Part 42 and submit the information to TDHCA along with the following information in writing at application:

- 1) The location map, address, and number of dwelling units by bedroom size of lower income housing that will be demolished or converted to use other than as lower income housing as a direct result of the project;
- 2) A time schedule for the commencement and completion of the demolition and conversion;
- 3) To the extent known, the location, map, address, and number of dwelling units by bedroom size of the replacement housing that has been or will be provided;
- 4) The amount and source of funding and a time schedule for the provision of the replacement housing;
- 5) The basis for concluding that the replacement housing will remain lower income housing beyond the date of initial occupancy;
- 6) Information demonstrating that any proposed replacement of housing units with similar dwelling units (e.g. a 2-bedroom unit with two 1-bedroom units) or any proposed replacement of efficiency or SRO units with units of a different size is appropriate and consistent with the housing needs of the community; and
- 7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

mm RA 
(initial)

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- 7) The name and title of the person or persons responsible for tracking the replacement of lower income housing and the name and title of the person responsible for providing relocation payments and other relocation assistance to any lower-income person displaced by the demolition of any housing or the conversion of lower-income housing to another use.

A rectangular box containing handwritten initials and a signature. The initials "ASB" are written in the right half of the box. A signature, which appears to be "ASB" with a long, sweeping flourish extending upwards and to the left, is written across the entire box. Below the initials, the word "(initial)" is printed in a small font.

(initial)

2018 Multifamily Direct Loan Certification

By: 

Signature of Authorized Representative

Mohannad H. Mohanna

Printed Name

Managing General Partner

Title

November 28, 2018

Date

THE STATE OF TEXAS §

§

COUNTY OF _____ §

Before me, a notary public, on this day personally appeared _____, 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 ____ day of _____, ____

See a attached

(Seal)

Notary Public Signature

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Mohannad H. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Alison A. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

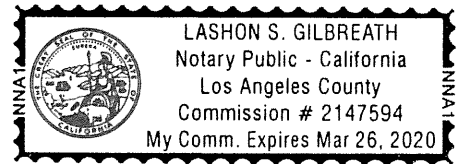
On November 28, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Michael A. Costa,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



By: [Signature]
Signature of Authorized Representative

Linda S. Brown
Printed Name

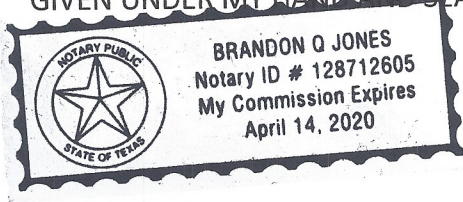
managing member
Title

November 28, 2018
Date

THE STATE OF TEXAS §
COUNTY OF Dallas §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30 day of November, 2018



(Seal)

[Signature]
Notary Public Signature

By: 
Signature of Authorized Representative

Sara Reidy
Printed Name

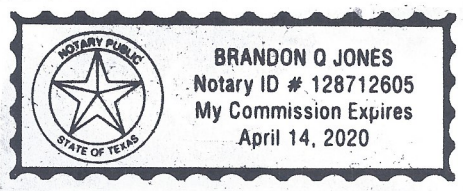
managing member
Title

November 28, 2018
Date

THE STATE OF TEXAS §
COUNTY OF Dallas §

Before me, a notary public, on this day personally appeared Sara Reidy, 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 30 day of November, 2018



(Seal)


Notary Public Signature

Applicant Information Page

Provide the contact information for the Applicant and any staff responsible for Administrative Deficiencies and/or clarifications to the Application.

1. Applicant Contact Information

Name:	<u>Simon Fraser</u>	Phone:	<u>(424) 258-2914</u>	<u></u>
			Office	Extension
Email:	<u>simon.fraser@housingpartners.com</u>		<u>(323) 400-8859</u>	
			Mobile	
Mailing Address:	<u>330 West Victoria Street</u>			
	Street			
	<u>Gardena</u>	<u>CA</u>	<u>90248</u>	
	City	State	Zip	

2. Second Contact

Name:	<u>Colette Whitehorse</u>	Phone:	<u>(424) 258-2832</u>	<u></u>
			Office	Extension
Email:	<u>colette.whitehorse@housingpartners.com</u>		<u>(562) 682-1263</u>	
			Mobile	

3. Consultant Contact (if applicable)

Name:	<u></u>	Phone:	<u></u>	<u></u>
			Office	Extension
Email:	<u></u>		<u></u>	
			Mobile	
Mailing Address:	<u></u>			
	Street			
	<u></u>	<u></u>	<u></u>	
	City	State	Zip	

Competitive Housing Tax Credit Selection Self-Score

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

Criteria Promoting Development of High Quality Housing

Point Item Description	QAP Reference	Points Selected
Unit Sizes	§11.9(b)(1)(A)	0
Unit and Development Features	§11.9(b)(1)(B)	0
Sponsor Characteristics	§11.9(b)(2)	0
High Quality Housing Total		0

Criteria to Serve and Support Texans Most In Need

Point Item Description	QAP Reference	Points Selected
Income Levels of Tenants	§11.9(c)(1)	0
Rent Levels of Tenants	§11.9(c)(2)	0
Tenant Services	§11.9(c)(3)	10
Opportunity Index	§11.9(c)(4)	6
Underserved Area	§11.9(c)(5)	0
Tenant Populations with Special Needs	§11.9(c)(6)	0
Proximity to the Urban Core	§11.9(c)(7)	0
Readiness to Proceed in Disaster Impacted Counties	§11.9(c)(8)	
Serve and Support Texans Most in Need Total		16

Criteria Promoting Community Support and Engagement

Point Item Description	QAP Reference	Points Selected
Local Government Support	§11.9(d)(1)	
Commitment of Development Funding by Local Political Subdivision	§11.9(d)(2)	0
Declared Disaster Area	§11.9(d)(3)	0
Quantifiable Community Participation	§11.9(d)(4)	
Community Support from State Representative	§11.9(d)(5)	
Input from Community Organizations	§11.9(d)(6)	
Concerted Revitalization Plan	§11.9(d)(7)	
Community Support and Engagement Total		0

Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability

Point Item Description	QAP Reference	Points Selected
Financial Feasibility	§11.9(e)(1)	0
Cost of Development per Square Foot	§11.9(e)(2)	0
Pre-application Participation	§11.9(e)(3)	0
Leveraging of Private, State, and Federal Resources	§11.9(e)(4)	0
Extended Affordability	§11.9(e)(5)	0
Historic Preservation	§11.9(e)(6)	0
Right of First Refusal	§11.9(e)(7)	0
Funding Request Amount	§11.9(e)(8)	0
Efficient Use of Limited Resources and Applicant Accountability Total		0
Point Deductions	§11.9(f)	
Total Application Self Score		16

Site Information Form Part I

Self Score Total: 16

1. Development Address (All Programs)

213 Somerset Avenue Cibolo
 Address City
9 78108 Guadalupe Urban
 Region Zip County Rural/Urban

2. Census Tract Information (All Programs)

48187210708 No Median Household Income: 97750.00 Quartile: 1q Poverty Rate: 2.1
 Census Tract Number QCT? No 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.
 (11 digits)

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.

- 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))
- 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))
- 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: MF-1
 Flood Zone Designation: X Entire Development Site is outside the 100 year floodplain. Yes

5. School Rating [§2306.6710(a)]; [§10.101(a)(3)(B)(iv)] (All Programs)






Residents of the proposed development will attend:

School Name	Grades X through X	Met Standard Rating?				
		2015	2016	2017		
Watts EL	EE	through	4	Yes	Yes	Yes
Barbara Jordan Int	5	through	6	Yes	Yes	Yes
Ray D Corbett JH	7	through	8	Yes	Yes	Yes
Samuel Clemens HS	9	through	12	Yes	Yes	Yes
		through				

- School district has no attendance zones and the closest schools are listed.
- The Development Site is located within the attendance zone of an elementary school, a middle school or a high school that does not have a 2017 Met Standard rating by the Texas Education Agency, and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

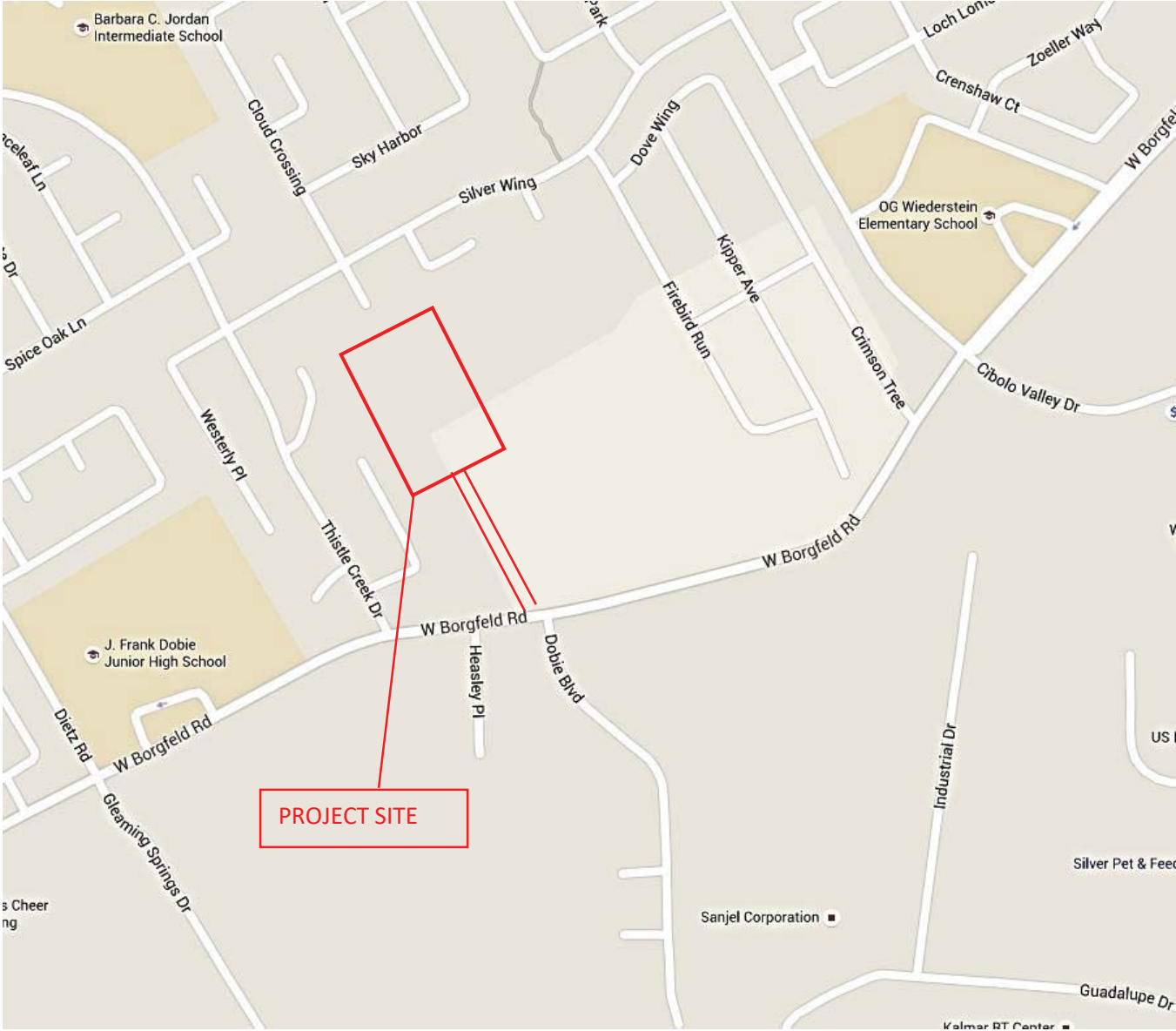
If revised form submitted, date of submission: _____

Supporting Documentation for the Site Information Form Part I

- Street Map with Site Drawn and Identified 
- Census Tract Map with Development Site Identified 
<https://factfinder.census.gov/faces/nav/jsi/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

El Sereno Apartments
(previously known as Borgfeld Manor - #16128)

Street Map



Source: Google Maps



QUALIFIED CENSUS TRACTS

The 2015 Qualified Census Tracts (QCTs) are effective January 1, 2015. The 2015 designation uses data from the 2010 Decennial Census and three releases of 5-year tabulations from the American Community Survey (ACS): 2006–2010; 2007–2011; and 2007–2012. The revised designation methodology using three years of ACS data is explained in the Federal Register notice published October 3, 2014 (http://www.huduser.gov/portal/Datasets/QCT/DDA2015_Notice.pdf).

48187210708

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend:

Tract Outline

Qualified Census Tracts (2014 Only)

Qualified Census Tracts (2015 Only)

Qualified Census Tracts (2014 & 2015)

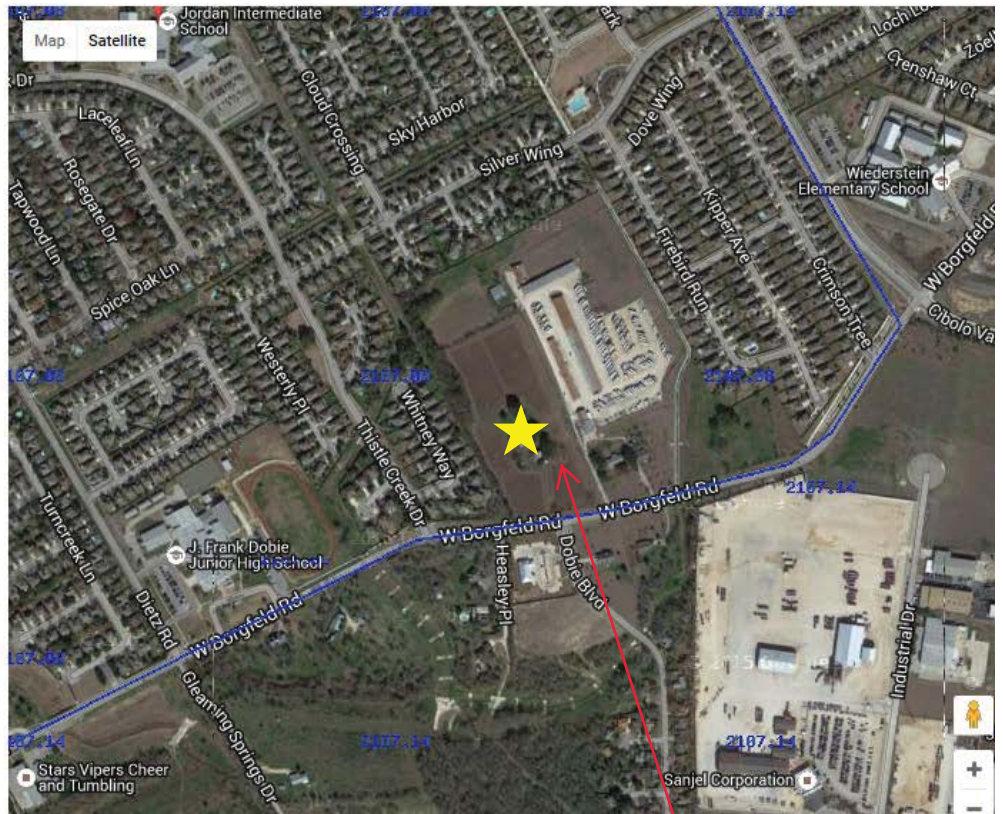
LIHTC Project

QCT Options

16 Current Zoom Level

- Show Tracts Outline (Zoom 11+)
- Show LIHTC Projects (Zoom 11+)
- Color Qualified Tracts (Zoom 7+)

[Click here for full screen map](#)



El Sereno Apts



"City of Choice"

January 19, 2016,

Casa Linda Development Corporation
Attn: Mrs. Linda S. Brown
2010 Kessler Parkway
Dallas, Tx 75208

Re: Zoning Verification Letter
Proposed Apartment Complex, located on Borgfeld Road, south of Falcon Ridge in Cibolo, Tx

Dear Mrs. Brown:

The City of Cibolo received your request for a Zoning Verification Letter for the proposed development located north of Borgfeld Road and south of Falcon Ridge subdivision, being approximately 10 acres and referred to as the Kardy's Tract. The zoning on the property is **Multi-Family District (MF-1)**.

Guadalupe County Appraisal District (GCAD) Property IDs:

- **ID 66934 – ABS: 216 SUR: AS Lewis 9.50 AC;**
- **ID 66967 – ABS: 216 SUR: AS Lewis 9.96 AC;**
- **ID 62134 – ABS 216 SUR: Simon Cockrill 5.07 AC;**
- **ID 62135 – ABS 216 SUR: Simon Cockrill 3.40 AC.**

Per the City of Cibolo Unified Development Code (2015 UDC; Ord. 1048):

Multi-Family District (MF-1)

This district provides for attached, multiple family residential use to a maximum density of 18 units per acre, situated with access to an arterial roadway. It is intended to be located near retail and office use to provide convenient service.

Per Article 13 Permitted Use Chart (2015; Ord. 1047)

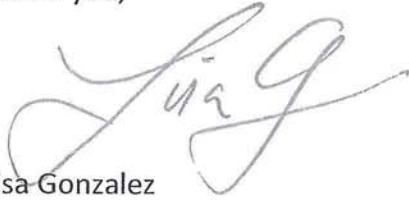
Apartment Residential

The use of a site for three (3) or more dwelling units, within one (1) or more buildings.

The above Apartment Residential Use is permitted with any MF-1 Zoning.

If you have any further questions please contact me.

Thank you,

A handwritten signature in cursive script, appearing to read 'Lisa G', written in black ink.

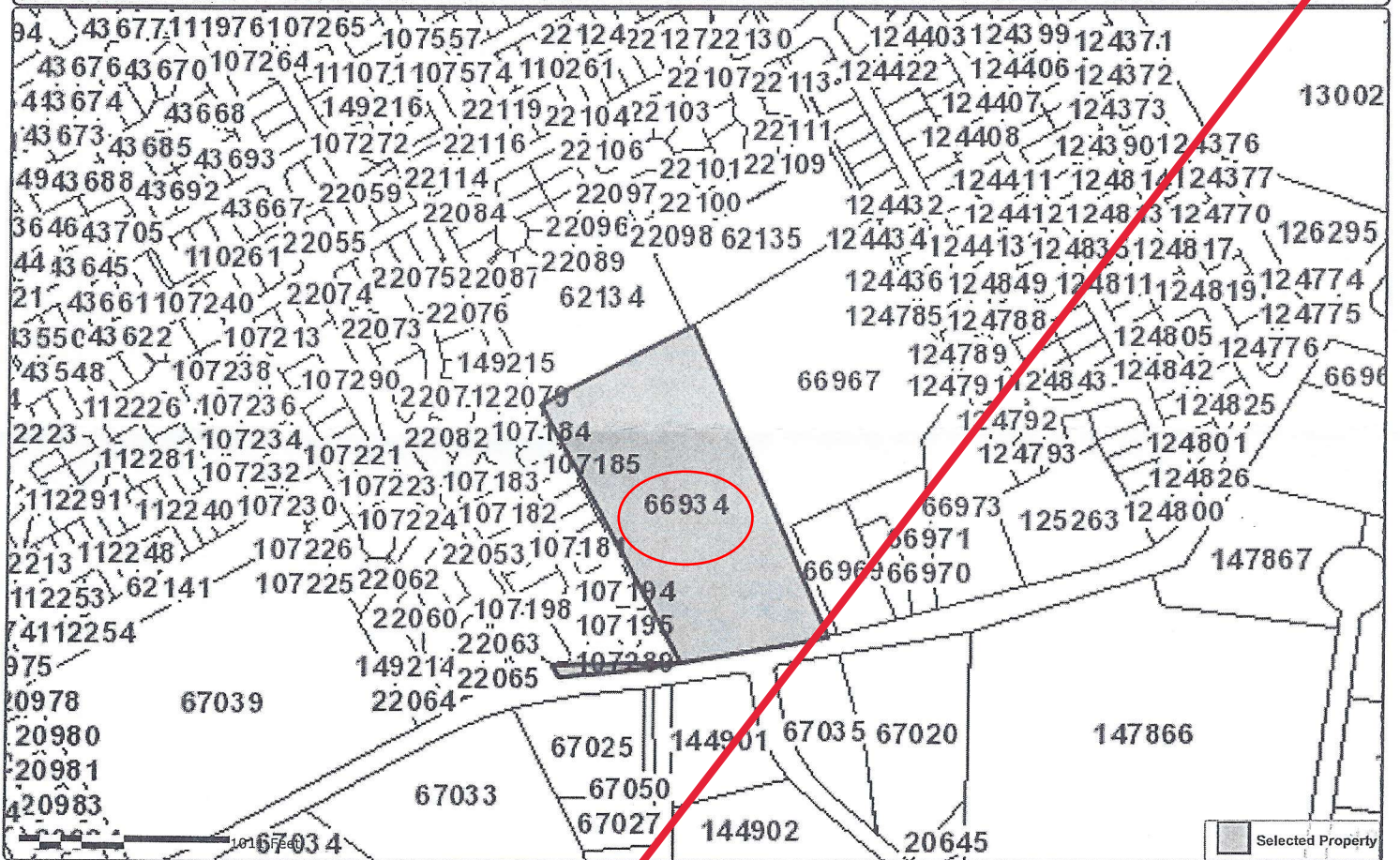
Lisa Gonzalez
City Planner

P: (210) 658-9900 x3141

LGONZALEZ@CIBOLOTX.GOV

Attachments: Guadalupe County ID Cards
Permitted Use Chart

Guadalupe CAD - Map of Property ID 66934 for Year 2016



Property Details

Account

Property ID: 66934
Geo ID: 2G0216-0000-00600-0-00
Type: Real

Legal Description: ABS: 216 SUK: A S LEWIS 9.5000 AC.

Location

Situs Address: BORGFELD RD TX
Neighborhood: CLA21
Mapsc0:
Jurisdictions: GCO, LTR, CCI, SCS, CAD

Owner

Owner Name: KARDYS RICHARD & JESSIE M KARDYS ETAL
Mailing Address: 103 CAVE LN, SAN ANTONIO, TX 78209

Property

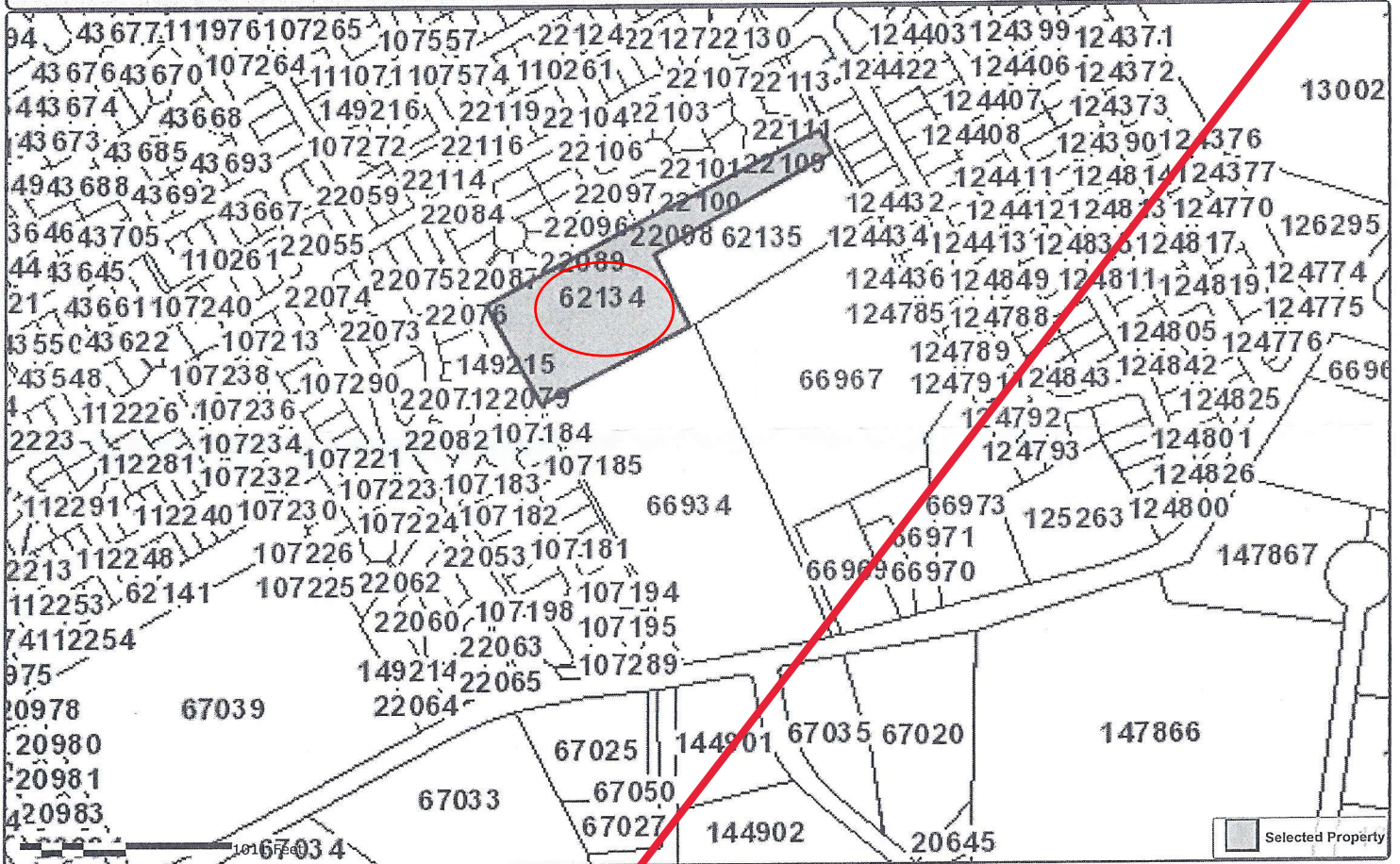
Appraised Value: N/A

<https://propaccess.trueautomation.com/Map/View/Map/2/66934/2016>

powered by:
PropertyACCESS
www.trueautomation.com

Map Disclaimer: This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The Guadalupe County Appraisal District expressly disclaims any and all liability in connection herewith.

Guadalupe CAD - Map of Property ID 62134 for Year 2016



Property Details

Account

Property ID: 62134
 Geo ID: 2G0096-0000-00120-0-00
 Type: Real
 Legal Description: ABS: 96 SUR: SIMON COCKRILL 5.072 AC.

Location

Situs Address: BORGFELD RD TX
 Neighborhood: CLA21
 Mapsco:
 Jurisdictions: GCC, LTR, CCI, SCS, CAD

Owner

Owner Name: KARDYS DANIEL
 Mailing Address: , 245 W BORGFELD RD, CIBOLO, TX 78108

Property

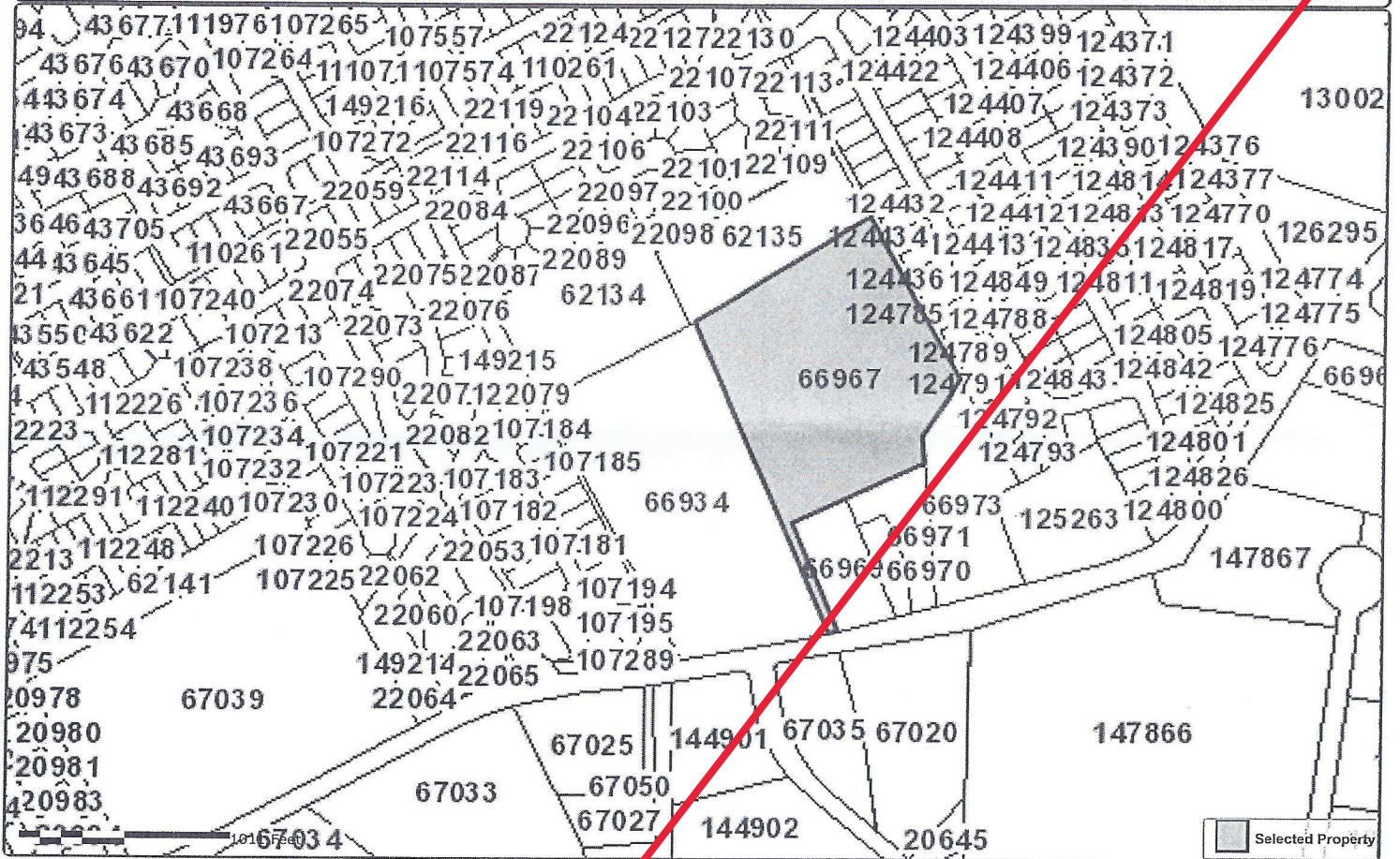
Appraised Value: N/A

<https://propaccess.trueautomation.com/Map/View/Map/2/62134/2016>



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Guadalupe CAD - Map of Property ID 66967 for Year 2016



Property Details

Account

Property ID: 66967
Geo ID: 2G0216-0000-04200-0-00
Type: Real

Location

Legal Description: ABS: 216 SUR: A S LEWIS 9.959 AC.

Situs Address: BORGFELD RD TX
Neighborhood: CLA21
Mapsc0:

Owner

Jurisdictions: GCO LTR, CCI, SCS, CAD

Owner Name: KARDYS DANIEL
Mailing Address: 245 WEST BORGFELD, CIBOLO, TX 78108-3124

Property

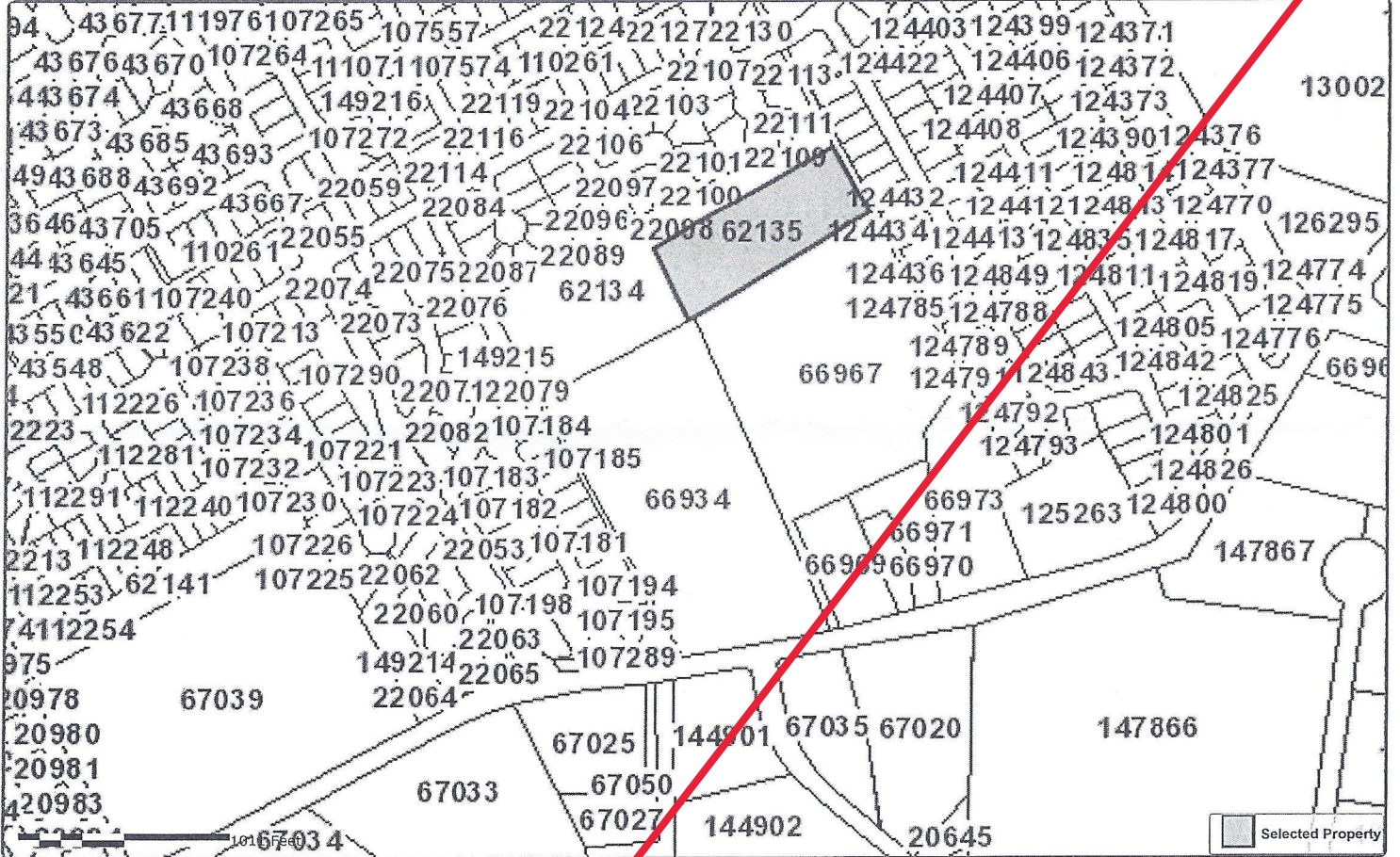
Appraised Value: N/A

<https://propaccess.trueautomation.com/Map/View/Map/2/66967/2016>

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PropertyACCESS
www.trueautomation.com

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Guadalupe CAD - Map of Property ID 62135 for Year 2016



Property Details

Account

Property ID: 62135
Geo ID: 2G0096-0000-00130-0-00
Type: Real
Legal Description: ABS: 96 SUR: SIMON COCKRILL 3.400 AC.

Location

Situs Address: BORGFELD RD TX
Neighborhood: CLA21
Mapsco:
Jurisdictions: GCC, LTR, CCI, SCS, CAD

Owner

Owner Name: KARDYS DANIEL
Mailing Address: 245 WEST BORGFELD, CIBOLO, TX 78108-3124

Property

Appraised Value: N/A

<https://propaccess.trueautomation.com/Map/View/Map/2/62135/2016>

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PropertyACCESS
www.trueautomation.com

Map Disclaimer: This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The Guadalupe County Appraisal District expressly disclaims any and all liability in connection herewith.

January 8th, 2019

Mohannad H. Mohanna
Highridge Costa Housing, LLC
330 W. Victoria Street,
Gardena, CA 90248

Dear Mr. Mohanna,

The City of Cibolo inquiry regarding the property located 213 Somerset Ave, being 10.31 acres.

GCAD Property ID and Legal Descriptions:

- ID 167051 – BORGEFELD MANOR SUB LOT #1 BLK #1 10.31 AC

The above listed properties are zoned MF-1 as defined:

This district provides for attached, multiple family residential use to a maximum density of 18.0 units per acre, situated with access to an arterial roadway. It is intended to be located near retail and office use to provide convenient service. Its scale is complementary to the Town Center and provides pedestrian access to surrounding service uses. Mobile/ manufactured/modular homes are not permitted.

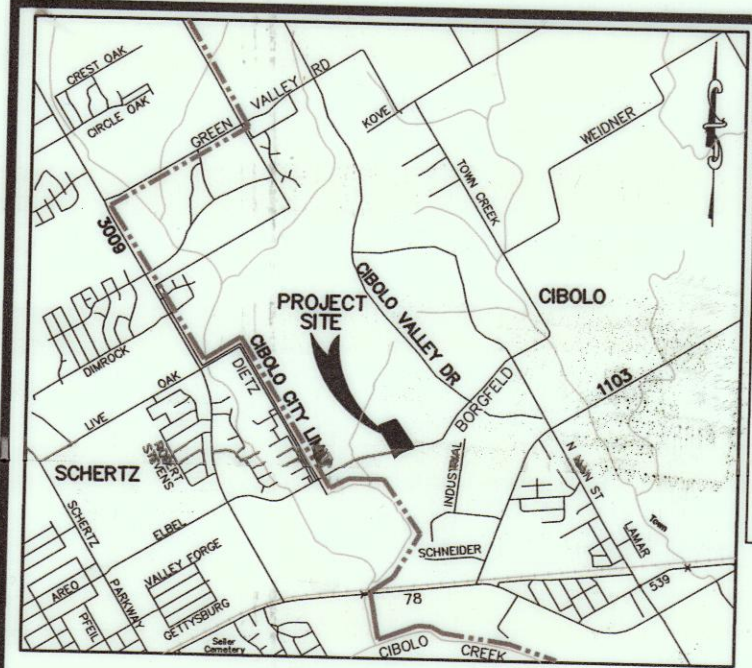
Please contact me if you have any further questions or require any additional information.

Thank you,



ZANE RODRIQUEZ
PLANNING TECHNICIAN I
PO BOX 826
200 S. Main St.
CIBOLO, TX 78108

Attachments: Plat
Zoning Map -
<https://cibolotx.maps.arcgis.com/apps/webappviewer/index.html?id=ed4b7f62b19e4280b6aee23e832aad9c>
Easy Zoning Guide –
<https://www.cibolotx.gov/DocumentCenter/View/160/Easy-Zoning-Guide?bidId=>



LEGEND

- 1/2" DIAMETER IRON PINS FOUND
- 1/2" DIAMETER IRON PINS SET WITH YELLOW CAP STAMPED "SHERWOOD SURVEYING"
- ESMT EASEMENT
- BSL BUILDING SETBACK LINE
- RIGHT-OF-WAY
- SURVEY LINE
- U.E. PUBLIC UTILITY EASEMENT
- D.E. PUBLIC DRAINAGE EASEMENT
- OPRGCT OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS
- MPRGCT MAP & PLAT RECORDS, GUADALUPE COUNTY, TEXAS

LOCATION MAP NOT TO SCALE

- NOTES:**
- THIS PROPERTY SHOWN HEREON LIES WITHIN THE CITY LIMITS OF CIBOLO.
 - THIS PROPERTY SHOWN HEREON IS NOT LOCATED OVER THE EDWARDS AQUIFER RECHARGE ZONE.
 - UTILITIES WILL BE PROVIDED BY THE FOLLOWING:
WATER: CITY OF CIBOLO
SEWER: CITY OF CIBOLO
ELECTRICITY: GUADALUPE VALLEY ELECTRIC COOPERATIVE
 - THE PROPERTY SHOWN HEREON IS LOCATED INSIDE SCHERTZ-CIBOLO-UNIVERSAL CITY SCHOOL DISTRICT.
 - NOTICE: SELLING A PORTION OF THIS ADDITION BY METES AND BOUNDS IS A VIOLATION OF THE UNIFIED DEVELOPMENT CODE OF THE CITY OF CIBOLO AND STATE PLATTING STATUTES AND IS SUBJECT TO FINDS AND WITHHOLDING OF UTILITIES AND BUILDING PERMITS.
 - NOTICE: PLAT APPROVAL SHALL NOT BE DEEMED TO OR PRESUMED TO GIVE AUTHORITY TO VIOLATE, NULLIFY, VOID OR CANCEL ANY PROVISIONS OF LOCAL, STATE, OR FEDERAL LAWS, ORDINANCES, OR CODES.
 - NOTICE: THE APPLICANT IS RESPONSIBLE FOR SECURING ANY FEDERAL PERMITS THAT MAY BE NECESSARY AS THE RESULT OF PROPOSED DEVELOPMENT ACTIVITY. THE CITY OF CIBOLO IS NOT RESPONSIBLE FOR DETERMINING THE NEED FOR, OR ENSURING COMPLIANCE WITH ANY FEDERAL PERMIT.
 - NOTICE: APPROVAL OF THIS PLAT DOES NOT CONSTITUTE A VERIFICATION OF ALL DATA, INFORMATION AND CALCULATIONS SUPPLIED BY THE APPLICANT. THE ENGINEER OF RECORD OR REGISTERED PUBLIC LAND SURVEYOR IS SOLELY RESPONSIBLE FOR THE COMPLETENESS, ACCURACY AND ADEQUACY OF HIS/HER SUBMITTAL WEATHER OR NOT THE APPLICANT IS REVIEWED FOR CODE COMPLIANCE BY THE CITY ENGINEERS.
 - NOTICE: ALL RESPONSIBILITY FOR THE ADEQUACY OF THIS PLAT REMAINS WITH THE ENGINEER OR SURVEYOR WHO PREPARED THEM. IN APPROVING THESE PLANS, THE CITY OF CIBOLO MUST RELY ON THE ADEQUACY OF THE WORK OF THE ENGINEER AND/OR SURVEYOR OF RECORD.
 - NOTICE: ROUTINE MAINTENANCE OF WEEDS AND GRASS IN ALL EASEMENTS SHALL BE THE RESPONSIBILITY OF THE PROPERTY OWNER, HOA, OR PROJECT OWNER ASSOCIATION ON WHICH THE EASEMENT IS LOCATED IN ACCORDANCE WITH CITY OF CIBOLO CODE OF ORDINANCES PROVISIONS FOR HIGH WEEDS AND GRASS.
 - A GEOTECHNICAL REPORT DEMONSTRATING COMPLIANCE WITH ALL RECOMMENDED PRACTICE FOR THE DESIGN OF RESIDENTIAL FOUNDATIONS, VERSION 1 STANDARDS OF THE TEXAS SECTION OF THE AMERICAN SOCIETY OF CIVIL ENGINEERS, THE GEOTECHNICAL STANDARDS OF THE CITY OF CIBOLO UDC AND THE CITY OF CIBOLO BUILDING CODE, EACH OF WHICH MAY BE AMENDED, PRIOR TO THE ISSUANCE OF A BUILDING PERMIT.
 - NO PORTION OF BORGFIELD MANOR PLAT IS LOCATED WITHIN A 100-YEAR FLOOD ZONE BOUNDARY, AS DEFINED BY THE FLOOD INSURANCE RATE MAP FOR GUADALUPE COUNTY, TEXAS ON COMMUNITY PANEL NO.48187C0230F, EFFECTIVE DATE NOVEMBER 02, 2007, AS PREPARED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.
 - THIS PLAT DOES NOT AMEND, ALTER RELEASE OR OTHERWISE AFFECT ANY EXISTING ELECTRIC, GAS, WATER, SEWER, DRAINAGE, TELEPHONE, CABLE EASEMENT OR ANY OTHER EASEMENT FOR UTILITIES UNLESS THE CHANGES TO SUCH EASEMENTS ARE DESCRIBED BELOW.
 - ALL UTILITY EASEMENTS ARE FOR THE CONSTRUCTION, MAINTENANCE (INCLUDING BUT NOT LIMITED TO REMOVAL OF TREE AND OTHER OBSTRUCTIONS), READING METERS AND REPAIR OF ALL OVERHEAD AND UNDERGROUND UTILITIES.
 - THIS LOTS 1, 2 AND 3 ARE ZONED MF-1 AND IS WITHIN THE CITY LIMITS OF CIBOLO, TEXAS.
 - ACCESS TO BORGFIELD ROAD WILL BE GRANTED, IN ACCORDANCE TO THE CURRENT VERSION OF THE CITY OF CIBOLO UNIFIED DEVELOPMENT CODE.
 - (a) THE APPLICANT(S) SHALL PAY THE CURRENT PARK FEES ESTABLISHED BY THE CITY OF CIBOLO.
(b) THE APPLICANT(S) SHALL PAY ANY CASH CONTRIBUTIONS TO THE CITY PRIOR TO RECORDATION OF A FINAL PLAT.
(c) SHOULD THE APPLICANT(S) DIVIDE THE SUBDIVISION INTO SECTIONS, THE FEE FOR THE ENTIRE SUBDIVISION SHALL BE PRORATED BY THE NUMBER OF SECTIONS IN THE SUBDIVISION, AND THE FEE ATTRIBUTABLE TO EACH SECTION SHALL BE PAID PRIOR TO RECORDATION FOR THE FINAL PLAT AND/OR AT BUILDING PERMIT AS ESTABLISHED BY THE CITY OF CIBOLO.
(d) THE PARKLAND DEDICATION FEE FOR LOT 1 IS \$54,400.



STATE OF TEXAS
COUNTY OF GUADALUPE **Dallas**

I HEREBY CERTIFY THAT PROPER ENGINEERING CONSIDERATION HAS BEEN GIVEN IN THIS PLAT TO THE MATTERS OF STREET, LOTS AND DRAINAGE LAYOUT. TO THE BEST OF MY KNOWLEDGE THIS PLAT CONFORMS TO ALL REQUIREMENTS OF THE SUBDIVISION REGULATIONS OF THE UNIFIED DEVELOPMENT CODE, EXCEPT FOR THOSE VARIANCES GRANTED BY THE CITY COUNCIL OF THE CITY OF CIBOLO.

JASON T. PYKA
REGISTERED PROFESSIONAL ENGINEER
HP CIVIL
5339 ALPHA ROAD, SUITE 300
DALLAS, TX 75240



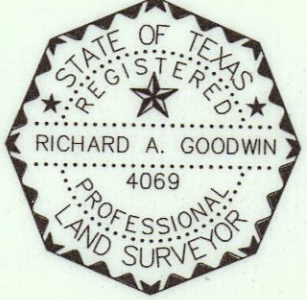
SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 29 DAY OF March, A.D., 2017.

Brianna Hoffpauir
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS
COUNTY OF GUADALUPE

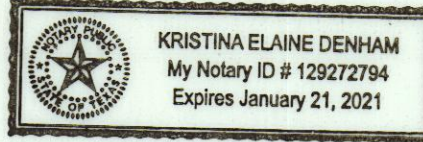
I HEREBY CERTIFY THAT THIS PLAT IS TRUE AND CORRECT AND WAS PREPARED FROM AN ACTUAL SURVEY OF THE PROPERTY MADE ON THE GROUND UNDER MY SUPERVISION.

Richard A. Goodwin
REGISTERED PROFESSIONAL LAND SURVEYOR #4069
SHERWOOD SURVEYING & S.U.E.
P.O. BOX 992
SPRING BRANCH, TEXAS 78070



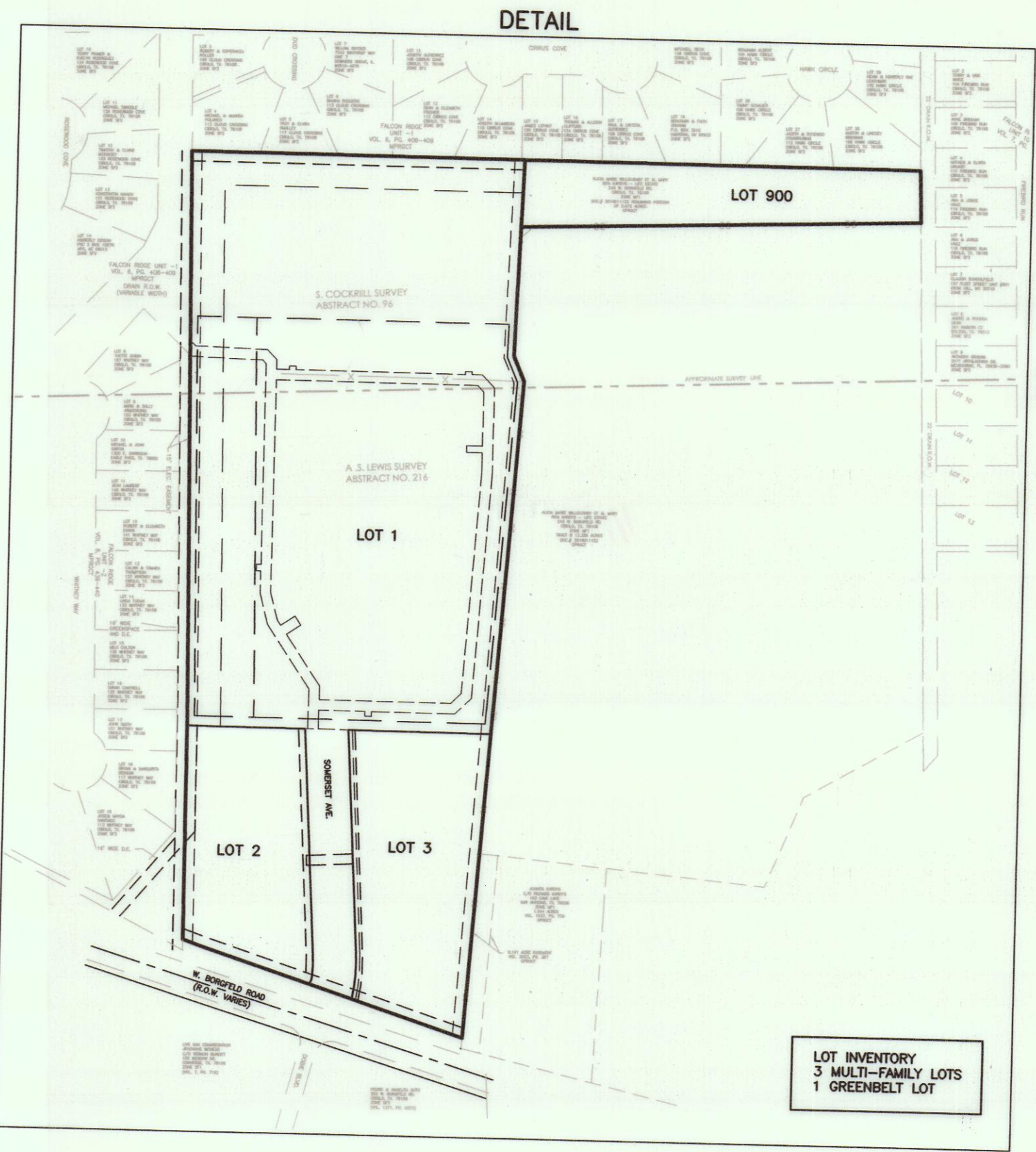
SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 28 DAY OF March, A.D., 2017.

Kristina Elaine Denham
NOTARY PUBLIC, STATE OF TEXAS



THIS PROPOSED SUBDIVISION PLAT HAS BEEN REVIEWED AND APPROVED BY THE GUADALUPE VALLEY ELECTRIC COOPERATIVE FOR ELECTRIC CAPACITY. ALL FEES DUE FOR IMPACT TO THE SYSTEM AT THE TIME OF CONNECTION WILL BE CALCULATED AT SUBMITTAL OF BUILDING PERMIT APPLICATION AT THE THEN CURRENT FEE SCHEDULE.

BY: [Signature]
AGENT FOR GUADALUPE VALLEY ELECTRIC COOPERATIVE



0 100 200 400
SCALE (FEET)
1" = 200'



THIS PLAT OF BORGFIELD MANOR HAS BEEN SUBMITTED TO AND CONSIDERED BY THE PLANNING AND ZONING COMMISSION OF THE CITY OF CIBOLO, TEXAS, AND IS HEREBY APPROVED BY SUCH CITY COUNCIL.

DATED THIS 12 DAY OF April, 2017.

BY: [Signature] CHAIR
[Signature] SECRETARY

THIS PLAT OF BORGFIELD MANOR HAS BEEN SUBMITTED TO AND CONSIDERED BY THE CITY COUNCIL OF THE CITY OF CIBOLO, TEXAS, AND IS HEREBY APPROVED BY SUCH CITY COUNCIL.

DATED THIS 18 DAY OF April, 2017.

BY: [Signature] MAYOR
[Signature] SECRETARY

I, THERESA KIEL, COUNTY CLERK OF GUADALUPE COUNTY, DO HEREBY CERTIFY THAT THIS PLAT WAS FILED FOR RECORD IN MY OFFICE ON THE 12 DAY OF May, A.D., 2017, AT 3:02 P.M. AND DULY RECORDED THE 12 DAY OF May, A.D., 2017, AT 3:02 P.M. IN THE RECORDS OF MAPS AND PLATS IN SAID OFFICE, OF SAID COUNTY, IN DOCUMENT 2017009964 IN TESTIMONY WHEREOF I HAVE SET MY HAND AND OFFICIAL SEAL OF OFFICE THIS 12 DAY OF May, A.D., 2017.

COUNTY CLERK
GUADALUPE, TEXAS

BY: [Signature] DEPUTY Linda Bator

THIS PROPOSED SUBDIVISION PLAT HAS BEEN REVIEWED AND APPROVED BY THE CIBOLO CREEK MUNICIPAL AUTHORITY (CCMA) FOR WASTEWATER TREATMENT PLANT CAPACITY. ALL FEES DUE FOR IMPACT TO THE SYSTEM AT THE TIME OF CONNECTION WILL BE CALCULATED AT SUBMITTAL OF BUILDING PERMIT APPLICATION AT THE THEN CURRENT FEE SCHEDULE.

BY: [Signature]
AGENT FOR CIBOLO CREEK MUNICIPAL AUTHORITY

BEING A 14.96 ACRE TRACT SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN 5.072 ACRE TRACT DESCRIBED IN VOLUME 4023, PAGE 521 AND A PART OF THAT CERTAIN 10.076 ACRE TRACT DESCRIBED IN VOLUME 4021, PAGE 446, OFFICIAL RECORDS, GUADALUPE COUNTY, TEXAS.

BORGFIELD MANOR PRELIMINARY/FINAL PLAT

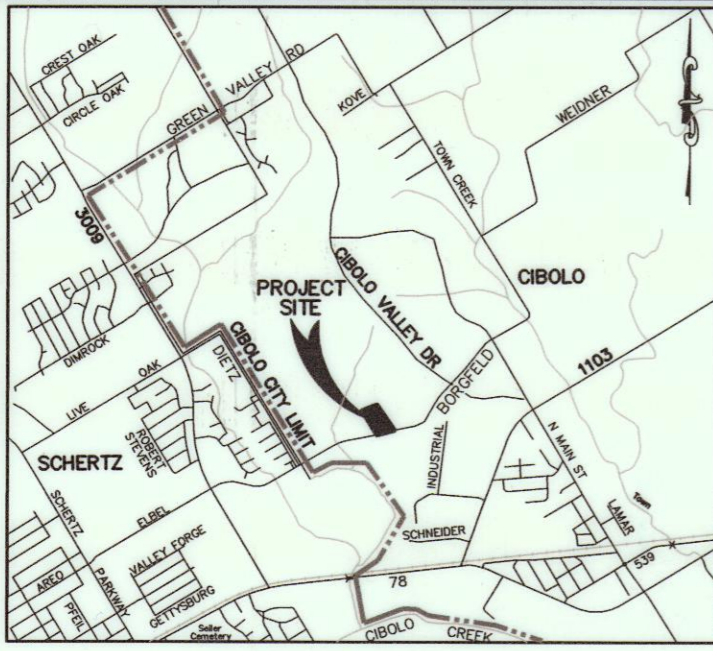
M & S ENGINEERING, L.L.C.
ENGINEERS, PLANNERS, SURVEYORS
TEXAS REGISTERED ENGINEERING FIRM NO. F-1394

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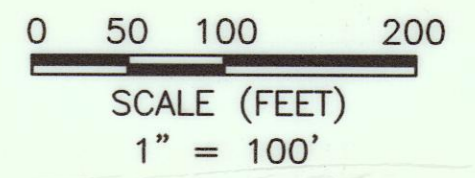
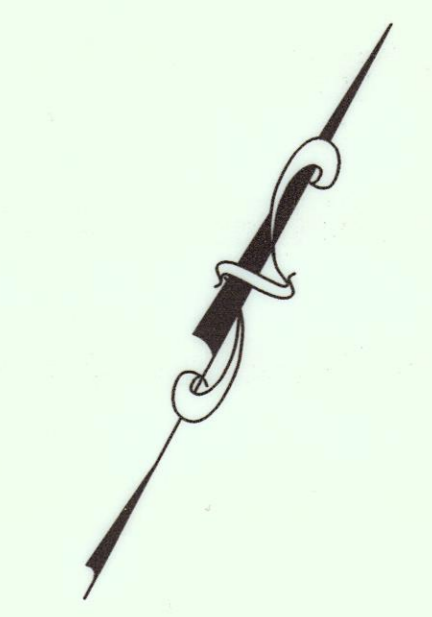
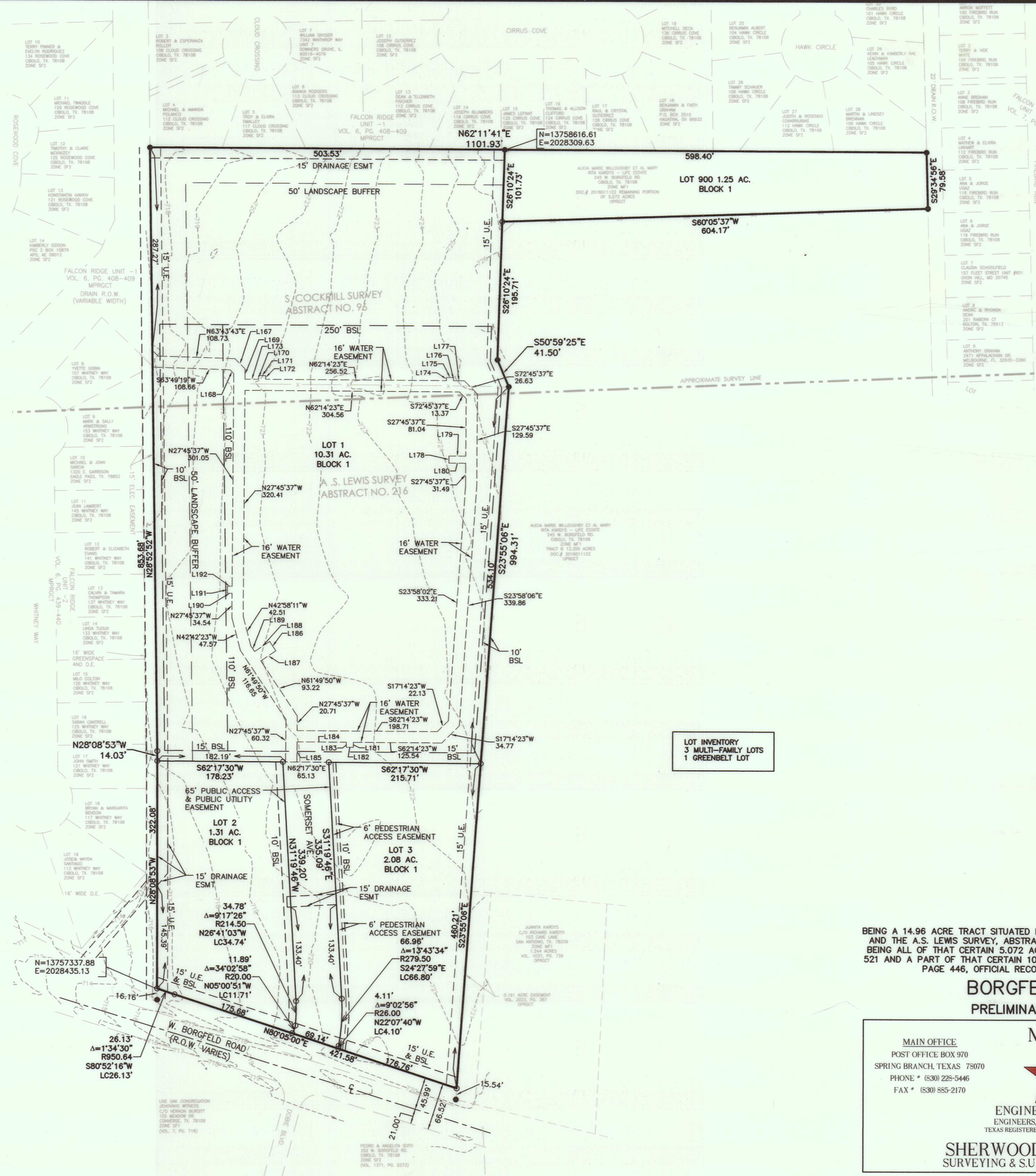
376 LANDA ST.
NEW BRAUNFELS, TEXAS 78130
PHONE * (830) 629-2985



LOCATION MAP
NOT TO SCALE

LEGEND

- 1/2" DIAMETER IRON PINS FOUND
- 1/2" DIAMETER IRON PINS SET WITH YELLOW CAP STAMPED "SHERWOOD SURVEYING"
- ESMT EASEMENT
- BSL BUILDING SETBACK LINE
- RIGHT-OF-WAY
- SURVEY LINE
- U.E. PUBLIC UTILITY EASEMENT
- D.E. PUBLIC DRAINAGE EASEMENT
- OPRGCT OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS
- MPRGCT MAP & PLAT RECORDS, GUADALUPE COUNTY, TEXAS



Line Table

Line #	Length	Direction
L167	20.77'	S72°45'37"E
L168	7.51'	N72°45'37"W
L169	14.49'	S27°45'37"E
L170	5.25'	N27°45'37"W
L171	10.00'	N62°14'23"E
L172	5.25'	S27°45'37"E
L173	19.20'	N62°14'23"E
L174	4.49'	N27°45'37"W
L175	10.00'	N62°14'23"E
L176	4.49'	S27°45'37"E
L177	15.47'	N62°14'23"E
L178	10.00'	S27°45'37"E
L179	23.76'	S62°14'23"W
L180	23.76'	N62°14'23"E
L181	7.02'	S27°45'37"E
L182	10.00'	S62°14'23"W
L183	7.02'	N27°45'37"W
L184	69.80'	S62°14'23"W
L185	28.53'	S27°45'37"E
L186	16.00'	N61°49'50"W
L187	25.63'	N28°10'10"E
L188	25.63'	S28°10'10"W
L189	9.18'	N62°51'03"W
L190	6.78'	S61°26'02"W
L191	10.00'	N28°33'58"W
L192	6.92'	N61°26'02"E

LOT INVENTORY
3 MULTI-FAMILY LOTS
1 GREENBELT LOT

BEING A 14.96 ACRE TRACT SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN 5.072 ACRE TRACT DESCRIBED IN VOLUME 4023, PAGE 521 AND A PART OF THAT CERTAIN 10.076 ACRE TRACT DESCRIBED IN VOLUME 4021, PAGE 446, OFFICIAL RECORDS, GUADALUPE COUNTY, TEXAS.

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Section 4.4 Establishment of Zoning Districts

The following Zoning Districts are hereby established for the City as authorized by the City Charter and Chapter 211 of the Texas Local Government Code:

<u>DISTRICT CODE</u>	<u>DISTRICT NAME</u>
AG	Agricultural - Homestead
SF-1	Estate Residential
SF-2	Low Density Single-Family Residential
SF-3	Low-Medium Density Single-Family Residential
SF-4	Medium Density Residential
SF-5	Medium-High Density Single-Family Residential
SF-6	High Density Single-Family Residential
TF-1	Duplex
MF-1	Multi Family
MF-2	Multi Family
MH-1	Manufactured Housing
MH-2	Mobile Home Park
C-1	Neighborhood Commercial
C-2	Community Retail/Service
C-3	General Retail / Office
C-4	General Commercial
PF	Public Facilities (Parks and Institutional Facilities)
I-1	Light Industrial
I-2	Heavy Industrial
MURE	Mixed Use Regional Employment Center
OT	Old Town Mixed Use Overlay
78	FM 78 Mixed Use Overlay
TC	Town Center Mixed Use Overlay

Section 4.5 Zoning District Purpose Statements

4.5.1 Residential Districts

4.5.1.1 Estate Residential (SF-1)

This district is established for large-lot single-family residential housing and is consistent with a very low density suburban/exurban development with housing arranged in conventional detached format with a maximum density of 1 unit per acre, to create a semi-rural setting of the City.

4.5.1.2 Low Density Residential District (SF-2)

This district is established for large-lot single-family residential housing and is consistent with a very low density suburban/exurban development with housing arranged in conventional detached format with a maximum density of 2 units per acre, to create a semi-rural setting of the City.

4.5.1.3 Low-Medium Density Residential District (SF-3)

This district is established for traditional suburban development of single-family detached dwellings in a low to medium density setting of 2-4 up to three (3) units per acre maximum. Higher intensity residential development serves as a buffer to protect this area from incompatible uses.

4.5.1.4 Medium Density Residential District (SF-4)

This district is established for traditional suburban development of single-family detached dwellings in a medium density setting of 2-4 units per acre maximum. Higher intensity residential development serves as a buffer to protect this area from incompatible and nuisance issues.

4.5.1.5 Medium-High Density Residential District (SF-5)

The mixed-density residential district enables a mix of residential densities (up to 5 units per acre). The district is intended to complement the suburban district and allow a mixture of different density neighborhoods.

4.5.1.6 High Density Residential District (SF-6)

The mixed-density residential district enables a mix of residential densities (up to 5.5 units per acre). The district is intended to complement the suburban district and allow a mixture of different density neighborhoods.

4.5.1.7 Two-Family Residential District (TF-1)

The two-family residential district enables duplex residential development up to 12 units per acre. The district is intended to serve as a transitional or buffer use.

4.5.1.8 Multi-Family District (MF-1)

This district provides for attached, multiple family residential use to a maximum density of 18 units per acre, situated with access to an arterial roadway. It is intended to be located near retail and office use to provide convenient service and serve as a transitional or buffer use.

4.5.1.9 Multi-Family District (MF-2)

This district provides for attached, multiple family residential use to a maximum density of 24 units per acre, situated with access to an arterial roadway or highway. It is intended to be located near retail and office use to provide convenient service, and access to regional facilities for its residents and serve as a transitional or buffer use.

4.5.1.10 Manufactured Home District (MH-1)

The Manufactured Home District, MH-1, is established to provide a single family residential zoning district most appropriate to an established neighborhood that contains predominantly manufactured home residences. This district allows for HUD-Code manufactured homes, modular homes, or other site-built homes on individual lots and provides for a diversity of housing options.

4.5.1.11 Mobile Home Park District (MH-2)

The MH-2 Mobile Home Park District is intended to provide locations for development of mobile home residence parks. Homes in this district shall be restricted to mobile homes as defined by the U.S. Department of Housing And Urban Development.

4.5.1.12 Agricultural-Homestead District (AG)

The Agricultural district is intended to serve as an initial temporary zoning designation for newly annexed properties into the City and as a permanent zoning designation for those rural properties of the City that are ideally suited for agricultural purposes. Since single-family residences are permitted in this district, this district is considered to be a residential district.

4.5.2 Mixed Use Districts (Old Town, Town Center Overlays and MURE zoning)

The Mixed-Use Districts are intended to ensure harmonious development, redevelopment, and rehabilitation of uses by integrating an appropriate mix of residential retail, office, entertainment, civic uses commensurate with traditional values of the city, its citizens, and the surrounding area. The establishing of these Mixed-Use Districts serve to reinforce and reinvigorate downtown Cibolo's mixed-use residential, light retail and services, preserve the historical traditions and monuments of the "Old Town" and to create a Mixed Use District to expand a central core to the geographic center of Cibolo.

4.5.3 Non-Residential Districts**4.5.3.1 Neighborhood Commercial District (C-1)**

The Neighborhood Commercial district is established to provide for a limited variety of commercial uses and services associated with neighborhood storefront retail, service, financial, and office activities which are compatible and designed in scale with surrounding residential areas. The intent of this District is to provide convenient neighborhood access to commercial services, and buffer neighborhoods from undesirable impacts of high intensity uses, such as noise, traffic & odors through performance standards.

4.5.3.2 Community Retail/Service (C-2)

The Town Center Commercial district is established to reinforce and reinvigorate downtown Cibolo's historical traditions and monuments. Town Center preserves the character, pedestrian scale, and architecture of the area surrounding Main Street by providing a limited range of business; creating a central, mixed-use destination environment for local: storefront retail, restaurants, lodging, family entertainment and Evening entertainment venues including but not limited to live music, dance halls and bars.

4.5.3.3 General Retail/Office District (C-3)

The Retail/Office District establishes a broad range of business operations, services and commercial development requiring arterial or collector street access. This district is intended for a variety of office, institutional and indoor retail uses that are designed to make the most efficient use of existing infrastructure and provide for orderly transitions and buffers between districts and uses. This district should facilitate economic development activities that will strengthen neighborhoods; promote the development of targeted industries and provide community balance; provide educational and employment opportunities; and encourage local economic investment for citizens of Cibolo.

4.5.3.4 General Commercial District (C-4)

The General Commercial district is established to provide for a broad range of commercial uses and activities in high visibility areas to serve the needs of the surrounding region. It is the most intensive commercial zoning district and generally situated along a highway or major roadways.

4.5.3.5 Light Industrial District (I-1)

The I-1 district is established to permit most commercial uses, office park, flex-space, and low impact industrial uses which are compatible with surrounding commercial districts. Limited retail and services uses that serve the industrial development zone are also permitted.

4.5.3.6 Heavy Industrial District (I-2)

The I-2 district is established to provide for a broad range of industrial uses. It is the least restrictive industrial zoning district and is intended for the grouping of industrial uses in locations that have adequate and convenient access to major arterials, highways, and rail lines.

4.5.3.7 Public Facilities District (PF)

The Public Facilities District is intended to provide for public, semi-public and institutional facilities within close proximity to various neighborhood and commercial land uses and to serve as a transitional or buffer use.

4.5.4 Special Districts

Generally, Special Districts are provided as follows in order to further goals and objectives of the City's Comprehensive Master Plan.

4.5.4.1 Planned Unit Development District (PUD)

Planned Unit Development zoning is intended to allow flexibility in planning and designing for unique or environmentally sensitive properties that are three acres in size or greater and which are to be developed in accordance with a common development scheme of planned associations of uses. PUD zoning is designed to accommodate various types of development, such as single-family residential, multiple housing development, neighborhood and community shopping centers, professional and administrative areas, industrial and business parks, and other uses or a combination or mix of uses. A PUD may be used to permit new or innovative concepts in land use and standards not permitted or accommodated by the zoning or subdivision standards in this UDC.

4.5.4.2 Mixed Use Regional Employment Center District (MURE)

This zoning district is reserved for areas suitable to provide a mix of very high density residential, retail, office, service, research and development, institutional and clean light industrial uses along major highway corridors. The purpose of this district is to promote economic development and retail activity, while promoting traffic circulation and safety, protecting adjacent residential neighborhoods, and promoting a positive image of the community. It is expressly intended that no low density residential dwellings will be

allowed in this mixed use district and any existing dwellings will remain as legal non-conforming dwellings. Medium density residential uses shall only be considered in the form of apartment or condominium uses on upper levels of buildings where higher intensity uses are provided on the ground level.

4.5.4.3 FM 78 Mixed Use Overlay District (FM 78)

The “78” Overlay District (78) intends to provide a cohesive set of design and use standards for properties within its boundaries. The District recognizes the importance of the FM 78 corridor through Cibolo as a local and regional commercial center, and emphasizes traffic management, mixed commercial and residential use opportunities, and management of visual clutter through signage control, screening and buffering. Architectural design standards are part of the 78 Overlay District to promote the development of pedestrian-scale buildings and define the corridor as a cohesive district.

4.5.4.4 Old Town Mixed Use Overlay District (OT)

The Old Town Overlay District (OT) is intended to provide a cohesive set of design and use standards for properties within its boundaries. The OT District recognizes the historical fabric of Old Town Cibolo and seeks to preserve the character, pedestrian scale, and architecture of the area surrounding Main Street. Additionally, it seeks to provide a pedestrian-oriented environment and flexibility for harmonious residential, civic, and commercial uses, as well as context-sensitive design standards to integrate new development with the City’s original core.

4.5.4.5 Town Center Mixed Use Overlay District (TC)

The Town Center Overlay District is intended to provide a cohesive set of design and use standards for properties within its boundaries. The TC District recognizes the current and future importance of this area adjacent to the Old Town District, the future extension of FM 1103 and Haeckerville Road, and generally the area’s central location with respect to the ultimate city limits. The TC District provides additional flexibility to mix residential, commercial, and civic uses. Additionally, it seeks to provide a pedestrian-oriented building environment and manage visual clutter through signage control, screening and buffering.

Use	SF1	SF2	SF3	SF4	SF5	SF6	TF-1	MF1	MF2	MH1	MH2	AG
Multiple-family residential.								P	P			
The use of a site for two (2) or more dwelling units, each in a separate building.												
Patio home.					C	C		P	P			
A detached, single-family unit typically situated on a reduced-sized lot that orients outdoor activity within the rear or side patio areas for better use of the site for outdoor living space.												
RV Park											P	
An area where facilities are provided for recreational or camping vehicles or travel trailers, tents or other portable habitation, utilized by the public as a place for camping, vacationing, or temporary usage, which are in place for not more than 30 (thirty) days.												
Single-family residential.	P	P	P	P	P	P	P			P		P
The use of a site for only one (1) dwelling unit.												
Townhouse residential.							P	P				
The use of a site for two (2) or more townhouse dwelling units, constructed with common or adjacent walls and each located on a separate ground parcel within the total development site, together with or without common area serving all dwelling units.												

Section 13.2 Commercial Uses

All uses not expressly permitted by the UDC shall be prohibited.

P = Permitted use

C = Conditional use

S= Subject to supplemental use regulations of UDC Article 6.

Use	C1	C2	C3	C4	I1	I2
Administrative and business offices.	P	P	P	P	P	
Offices or private firms or organizations which are primarily used for the provision of executive, management or administrative services. Typical uses include administrative offices, and services including real estate, insurance, property management, investment, personnel, travel, secretarial services, telephone answering, photocopy and reproduction, and business offices or public utilities, organizations and associations, or other use classifications when the service rendered is that customarily associated with administrative office services.						
Agricultural sales and services.				P	P	P
Establishments or places of business engaged in sale (from the premises) of feed, grain, fertilizers, pesticides and similar goods or in the provision of agricultural related services with incidental storage on lots other than where the service is rendered. Typical uses include nurseries, hay, feed and grain stores and tree service firms.						
Amusement center		C	P	P		
An establishment offering 5 (five) or more amusement devices, including, but not limited to, coin-operated electronic games, shooting galleries, table games and similar recreational diversions within an enclosed building.						
Artisan sales	P	P	P	P		
The manufacture and retail sale of hand-crafted wares such as pottery, jewelry, art, and similar products of craftsmanship.						
Artisan/ Culinary Classes (Specialty Classes)	P	P	P	P		
An establishment used in the teaching of specialty classes in the arts of crafting, sculpture, artwork, food and the like. Such classes will be conducted by a trained instructor on an occasional basis.						
Automobile Dealership				P		
Includes new and used car, pick-up truck and motorcycle sales/display and associated maintenance facilities.						

Use	C1	C2	C3	C4	I1	I2
Automotive rentals.			C	P	P	
Rental of automobiles, noncommercial trucks, trailers and recreational vehicles, including incidental parking and servicing of vehicles available for rent or lease. Typical uses include auto rental agencies, trailer rental agencies and taxi cab parking and dispatching.						
Automotive; Minor Repairs/Service			P	P	P	P
An establishment primarily engaged in the repair, maintenance or washing of automobiles and pick-up trucks and similar mechanical equipment, including brake, muffler, upholstery work, tire repair and change, lubrication, tune ups, washing and transmission work, which is conducted within a completely enclosed building.						
Automotive; Major Repairs/Service				P	P	P
Indoor and outdoor repair and service of automobiles, noncommercial trucks, motorcycles, motor homes, recreational vehicles or boats, including the sale, installation and servicing of equipment and parts. Typical uses include muffler shops, auto repair garages, body and fender shops, painting and major repairs and service activities, but excluding dismantling or salvage.						
Automotive sales.				P	P	
Sale or lease of automobiles, noncommercial trucks, motorcycles, motor homes, recreational vehicles or boats, including incidental storage, maintenance and servicing. Typical uses include new and used car dealerships, motorcycle dealerships and boat, trailer and recreational vehicle dealerships.						
Automotive service station		C-S	C-S	P-S	P-S	
That portion of property where flammable or combustible liquids or gases used as fuel are stored and dispensed from fixed equipment into the fuel tanks of motor vehicles. Accessory activities shall be permitted to include an automatic car wash and convenience food and beverage sales. Refer to Article 6 of this UDC for additional requirements.						
Automotive washing.			P	P	P	
Refers to establishments where the primary use is the washing, cleaning and detailing of automobiles and related light equipment. Typical uses include auto laundries or car washes.						

Use	C1	C2	C3	C4	I1	I2
Bar/Micro Brewery		P	P	P		
A use engaged in the preparation and retail sales of alcohol beverages for consumption on the premises, including taverns, bars, cocktail lounges and similar uses.						
Building maintenance services.			P	P	P	
Establishments primarily engaged in the provision of maintenance and custodial services to firms rather than individuals. Typical uses include janitorial, landscape maintenance or window cleaning services.						
Business or Financial Services	C	P	P	P		
An establishment intended for the conduct or service or administration by a commercial enterprise, or offices for the conduct of professional or business service.						
Business support services.	P	C	P	P	P	
Establishments or places of business primarily engaged in the sale, rental or repair of equipment and supplies used by office, professional and service establishments to the firms themselves rather than to individuals, excluding automotive, construction and farm equipment. Typical uses include office equipment and supply firms, small business machine repair shops or hotel equipment and supply firms.						
Business or trade school.	C	C	P	P		
A use providing education or training in business, commerce, language, or other similar activity or occupational pursuit, and not otherwise defined as a home occupation, college or university or public or private educational facility.						
Commercial off-street parking.		C	C	P	P	P
Parking of motor vehicles on a temporary basis within a privately owned off-street parking facility, other than accessory to a principal use. Typical uses include commercial parking lots or parking garages.						
Communications services.				P	P	P
Establishments primarily engaged in the provision of broadcasting and other information relay services accomplished through the use of electronic and telephonic mechanisms but excludes those classified as major utility facilities. Typical uses include television studios or telecommunication service centers.						
Concrete Asphalt Batching Plant (Permanent)					C	C
A permanent manufacturing facility for the production of concrete or asphalt.						

Use	C1	C2	C3	C4	I1	I2
Construction sales and services.				P	P	P
Establishments or places of business primarily engaged in construction activities and incidental storage on lots other than construction sites as well as the retail or wholesale sale, from the premises, of materials used in the construction of buildings to other structures other than retail sale of paint, fixtures and hardware excluding those classified as one of the automotive and equipment services use types. Typical uses included building materials stores, tool and equipment rental or sales or building contractors.						
Consumer repair services.	P	P	P	P		
Establishments primarily engaged in the provision or repair services to individuals and households rather than firms, but excluding automotive and equipment use types. Typical uses included appliance repair shops, watch or jewelry repair or musical instrument repair firms. All incidental storage shall be enclosed.						
Dry Cleaning Plant					P	P
A large scale establishment primarily engaged in the large scale industrial scale cleaning of textiles and garments in large revolving washers where they are washed with the cleansing fluid and special soaps, rinsed with pure cleansing fluid, and then spun to remove most of the fluid. They are then dried with warm air in a tumbler where cleansing fluids are reclaimed and used again.						
Equipment repair services.				P	P	P
Repair of trucks, tractors, construction equipment, agricultural implements and similar heavy equipment. Typical uses include truck repair garages, tractor and farm implement repair services and machine shops, but exclude dismantling or salvage.						
Farmers Market	C	P	C			
Places of business primarily engaged in the retail sale of farm grown food. Use is allowed on a day to day or part time basis with the permission of the property owner on whose property the sales will be conducted.						
Financial services.	P	P	P	P		
Establishments primarily engaged in the provision of financial and banking services. Typical uses include banks, savings and loan institutions, loan and lending activities and similar services.						

Use	C1	C2	C3	C4	I1	I2
Fitness Studio/ Health Spa	C	P	P	P		
A public or private facility operated to promote physical health and fitness. Activities may include exercise, physical therapy, yoga, health spas and martial arts studios.						
Flea Market; Outdoor Open Air Sales				C		
Buildings or open areas in which sales areas or stalls are set aside or rented and which are intended for use by two or more individuals or by educational, religious or charitable organizations to sell articles that are either homemade, homegrown, handcrafted, or antique.						
Food sales; grocery	P	P	P	P		
Establishments or places of business primarily engaged in the retail sale of food or household products for home consumption. Typical uses include groceries, delicatessens, meat markets, retail bakeries and candy shops.						
Food Truck, Ancillary		P	P	P		
A maximum of two (2) food trucks parked and operating on a single lot home to a permanent business or building.						
Food Truck, Park		C	C	C		
Three (3) or more food trucks parked and operating on a single lot and serving as the primary business on-site.						
Funeral services.			P	P		
Establishments engaged in undertaking services such as preparing the human dead for burial and arranging and managing funerals.						
General retail sales, neighborhood scale	P	P	P	P		
Sales or rental of commonly used goods and merchandise for personal or household uses for surrounding neighborhoods.						
General retail sales, regional			P-S	P		
Sales or rental of commonly used goods and merchandise for personal or household use. Typical uses include department stores, apparel stores, furniture stores, mail order stores or similar establishments. Refer to Article 6 of this UDC for additional requirements.						
Health care offices.	P	P	P	P		
A use providing consultation, diagnosis, therapeutic, preventative or corrective personal treatment services by physicians, dentists, medical and dental laboratories and similar health practitioners.						

Use	C1	C2	C3	C4	I1	I2
Hotel-motel.		C	P	P		
Lodging services involving the provision of room and/or board. Typical uses include hotels, motels, bed and breakfast or transient boarding houses.						
Ice Dispensing; Portable Building/Structure			P-S	P-S		
Refers to an automatic self-contained portable ice dispensing structure that produces and dispenses ice for retail sale as a primary or secondary use of site. This does not include typical ice machines that sell packages bags of ice.						
Indoor entertainment.		C	P	P		
Predominantly spectator uses conducted within an enclosed building. Typical uses include motion picture theaters, meeting halls and dance halls.						
Indoor Gun Range;			C	P	P	
Permitted subject to building being soundproofed and a building design that will prevent ammunition from leaving the building, as per the Cibolo building codes.						
Indoor sports and recreation.		C	P	P	C	
Uses conducted within an enclosed building. Typical uses include bowling alleys, billiard parlors, ice and roller skating rinks, Gymnasium, Cross-Fit Studios and arcades.						
Kennels.				P	P	
Boarding and care services for dogs, cats and similar small animals. Typical uses include boarding kennels, pet motels, or dog training centers.						
Laundry services: Dry Cleaning	P	P	P	P		
Establishments primarily engaged in the provision of laundering, dry cleaning or dyeing services as personal services.						
Laundry services, Laundry Mat			C	P	P	
A facility where patrons wash, dry or dry-clean personal clothing or other fabrics in machines operated by the patron.						
Liquor Store		C	P	P		
Establishments engaged in the sale of alcoholic beverages for the purpose of off-premise consumption.						
Local convenience store (Without Fuel Sales)	C	C	P	P		
A commercial activity engaged in the sale of commonly used goods & merchandise for personal or household use in a structure five thousand (5,000) square feet or less in size.						

Use	C1	C2	C3	C4	I1	I2
Local convenience store (With Fuel Sales)	C	C	P	P		
A commercial activity engaged in the sale of commonly used goods and merchandise, including petroleum products, for personal or household use in a structure five thousand (5,000) square feet or more in size. Refer to Article 6 of this UDC for additional requirements for fuel sales.						
Outdoor sports and recreation (Light)		P	P	P		
Uses conducted in open or partially enclosed or screened facilities. Typical uses include driving ranges, miniature golf courses, golf courses, swimming pools, tennis courts, racquetball courts, skate parks, small scale entertainment venues and marinas.						
Outdoor sports and recreation (Intensive)					C	P
Intensive recreation uses that are conducted in the outdoors that generate considerable noise, vibration, heat, odor and other environmental impacts. Typical uses include race tracks, speedways, drag strips, gun firing ranges, concert venues and the like.						
Paint Shop (Non-Retail)				P	P	P
Establishments primarily engaged in the painting of cars, motorcycles, RV's and other materials.						
Pawn Shop			C	C		
An establishment where money is loaned on the security of personal property pledged in the keeping of the owners goods.						
Personal services.	P	P	P	P		
Establishments or places of business primarily engaged in the provision of frequently or recurrently needed services of a personal nature. Typical uses include beauty and barber shops, seamstress, tailor, shoe repair shops and self-service laundry or self-service apparel cleaning services.						
Pet services.	C	P	P	P		
Retail sales, vet services and grooming of domestic dogs, cats, birds, fish, and similar small animals customarily used as household pets. Typical uses include pet stores, dog bathing and clipping salons or pet grooming shops.						
Portable Building Sales				P	P	
This use is applicable to the outdoor display and/or sale of heavy machinery and equipment.						

Use	C1	C2	C3	C4	I1	I2
Professional office.	P	P	P	P	P	
A use providing professional or consulting services in the fields of law, architecture, design, engineering, accounting and similar professions.						
Restaurant, Convenience.	P	P	P	P		
A use engaged in the preparation and retail sale of food and beverages (excluding alcoholic beverages), for on premise consumption only. Typical uses include soda fountains, ice cream parlors, sandwich shops and coffee shops.						
Restaurant, Fast Food	C	C	P	P		
A use engaged in the retail sale of pre-prepared or rapidly prepared food and beverages directly to customers (excluding alcoholic beverages), for on-and off-premise consumption, commonly referred to as having "take-out" service. Typical uses have drive-thru window service and have extended hours of operation.						
Restaurant, Neighborhood.	P	P	P	P		
A use engaged in the preparation and retail sale of food and beverages, including the sale of alcoholic beverages when conducted as an accessory or secondary feature producing less than thirty (30) percent of the gross income. For a neighborhood restaurant including outdoor entertainment, see Article 6 of this UDC for additional requirements.						
Service station.		C-S	P-S	P-S		
An establishment where the sale of petroleum products is the principal use but may also offer incidental indoor automobile service and repair. All services provided and all storage supplies, parts, equipment shall be kept indoors.						
Sexually Oriented Businesses.				C	C	C
Refers to those acts, uses and services described more particularly in City Ordinance Number 744.						
Tire Dealer (No Open Storage)			P	P		
Tire Dealer with Open Storage					C	
Trailer/Mobile Home Display, Sales or Storage				P	P	
Truck/Trailer Rental and/or leasing				P	P	

Use	C1	C2	C3	C4	I1	I2
Truck/Bus Repair				C	P	
Truck Sales (Heavy Trucks) and RV Sales				C	P	
Veterinary services.	C	P	P	P	P	P
Veterinary service for all animals. Typical uses include animal clinics and hospitals. Veterinary services shall not include the boarding of large or small animals.						
Winery/Production Brewery			C	C	P	P
An establishment that produces wine and/or beer on site. Such businesses hold proper permitting and are regulated by the Texas Alcoholic Beverage Commission. This use may be permitted in Agricultural (AG) zoning.						
Wrecker Business associated with auto impounding and storage				C	C	C
A yard or building where automobiles are stored or offered for sale as whole units or salvaged parts.						

Section 13.3 Industrial Uses

All uses not expressly permitted by the UDC shall be prohibited.

P = Permitted use

C = Conditional use

S= Subject to supplemental use regulations of UDC Article 6.

Use	C1	C2	C3	C4	I1	I2
Basic industry.						P
A use engaged in the basic processing and manufacturing of materials or products predominately from extracted or raw materials or a use utilizing flammable explosive or commonly recognized offensive conditions or materials.						
Custom Light Manufacturing.					P	P
Establishments primarily engaged in the on-site, indoor production and storage of goods by hand manufacturing which involves only the use of hand tools or mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts. The direct sale to consumers of those goods produced on-site is prohibited.						
General Contractor Services				P-S	P-S	P-S
General contractor services are permitted subject to compliance with all environmental performance standards of this UDC.						
Light manufacturing.					P	P
A use engaged in the manufacture, predominantly from previously prepared materials, or finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and storage, sales and distribution of such products, but excluding basic industrial processing.						
Sand, Gravel, Stone or Petroleum Extraction, Oil and Gas Wells					C	C

Use	C1	C2	C3	C4	I1	I2
Warehousing and distribution.						
Establishments or places of business primarily engaged in wholesaling, storage, distribution and handling of materials and equipment other than live animals and plants. The following are wholesaling, storage and use types:						
A. <i>Convenience storage.</i> Storage services primarily for personal effects and household goods within enclosed storage areas having individual access, but excluding use as workshops, hobby shops, manufacturing, or commercial activity. Typical uses include mini-warehousing. Refer to Article 6 Section 6.3 for additional requirements regulating this use.			C-S	P-S	P-S	P-S
B. <i>General warehousing and distribution.</i> Open-air storage, distribution and handling of materials and equipment. Typical uses include monument or stone yards, or open storage yards.				C	P	P
C. <i>Limited warehousing and distribution.</i> Wholesaling, storage and warehousing services within enclosed structures. Typical moving and storage firms and retail mail order distribution centers.				P	P	P
Research and Development Services						
Establishments primarily engaged in research of an industrial or scientific nature but excludes product testing. Typical uses include electronics research laboratories, research and development firms, or pharmaceutical research labs.		C	C	P	P	P
Scrap and salvage services and wrecking services.						
Places of business primarily engaged in the storage, sale, dismantling or other processing of used or waste materials which are not intended for reuse in their original forms. Typical uses include automotive wrecking yards, junk yards or paper salvage yards.						C
Vehicle storage.						
Long term storage of operating or non-operating vehicles. Typical uses include storage of private parking tow-away or impound yards, but exclude dismantling or salvage.				C	P	P

Article 14.1 Lot Design Standards (Residential)									
District Code	Zoning District (for setbacks in Overlay Districts reference UDC Article 4)				SETBACKS			Maximum Building Height (in feet) ¹¹	Maximum Lot/Impervious Coverage (%)
		Maximum Develop. Density (units/ac)	Minimum Lot Area (ft ²) / *Maximum Lot Area (ac)	Minimum Lot Width	Minimum Front BSL	Minimum Rear BSL	Minimum Side BSL		
RESIDENTIAL									
AG	Agricultural - Homestead	None	None	None	35	10	10	35 ⁸	35 ²
SF-1 ¹⁰	Estate Residential	1.00	43560 ¹	100	40	25	25 ⁷	35	35 ²
SF-2	Low Density Residential	2.00	21000 ¹	85	35	25	15 ⁷	35	35 ²
SF-3 ¹⁰	Low-Medium Density Residential	3.00	12,000	80	25	25 ⁹	10 ^{6,7}	35	40 ⁵
SF-4 ¹⁰	Medium Density Residential	4.00	9,200	70	25	10 ⁹	10 ^{6,7}	35	50 ⁵
SF-5	Medium-High Density Residential	5.00	7,200	65	25 ³	10 ⁹	10 ⁷	35	55
SF-6	High Density Residential	5.50	6,600	60	25 ³	10 ⁹	10 ⁷	35	60
TF-1	Two-Family Residential	12.00	9,000	75	25	10	10	35	60
MF1	Multi-Family Residential	18.00	*20	100	25 ⁴	10	10	45	75
MF2	Multi-Family Residential	24.00	*30	100	25 ⁴	10	10	45	80
MH1	Manufactured Home	5.50	6,600	75	25	20	10	35	40
MH2	Manufactured Housing Park	12.00	43,560	55	25 ⁴	10	5	35	50
<p>Notes:</p> <p>1 Lots for which an on-site sewage facility is proposed are subject to Title 30, Texas Administrative Code, Chapter 285. The application of Chapter 285 may require larger minimum lot sizes than the City of Cibolo UDC. In such cases, the more restrictive shall apply.</p> <p>2 Maximum lot coverage is 35%, not to exceed 15,000 square feet.</p> <p>3 Minimum 18' front yard setback for garage, if not served from rear alley. (Pertains to vested SF-3 lots prior to Feb. 26, 2013)</p> <p>4 May be reduced to 15' if parking provided at side or rear of building.</p> <p>5 The maximum lot coverage for this district shall not restrict the placement of one (1) accessory structure of less than 100 square feet, provided such structure is placed on skids and complies with the requirements of Article 15, and does not interfere with the use of any easement present.</p> <p>6 Minimum 15 feet between homes, but not less than 5 feet on either side of the common side lot line for lots vested prior to Feb. 26, 2013.</p> <p>7 Corner lots: Any garage or carport facing the side street must be set back not less than 20 feet.</p> <p>8 The maximum height pertains only to the height of a home. The height of accessory agricultural structures, such as barns, windmills and silos; is not restricted.</p> <p>9 A side yard setback of 5.0' feet shall be permitted for any SF-2 and SF-3 lot vested prior to Feb. 26, 2013.</p> <p>10 Requires two (2) side yards to have a combined total of 15 feet, with a 5' minimum on one side and a 10' minimum on the other side.</p> <p>11 Reference Appendix B for Height Exhibit</p>									

Section 14.3 Modified Residential Standards

A. General Purpose and Descriptions

This Section deals with specific residential products allowed within the Multi-family Residential zoning districts. Applicable residential products include townhomes, duplex, and condominiums. Although not a multi-family product, patio homes may use the modified standards in this section.

B. Area regulations

Property and buildings shall conform to the applicable MF-1 or MF-2 zoning with the exceptions of the housing products presented in Section 14.3. In those instances a developer may:

1. Propose a zero lot line product
 - Maximum lot acreage of 20 acres in MF-1 and 30 acres in MF-2;
 - Minimum lot width to be 40 feet'
 - Minimum front BSL to be 15 feet;
 - Minimum side BSL to be 0 on one side and 10 feet on other side;
 - Minimum rear BSL to be 10 feet;

For lots with the zero (0) BSL setback, the zero side must:

- a) Have a roof overhang equipped with a gutter that may be extend a maximum of eight (8) inches into a neighboring lot. No other roof overhangs or extensions from a wall may extend into a neighboring lot.
- b) Have storm gutters installed on the closest exterior roofline to an adjacent property if the general slope of the roof falls toward the neighboring lot. Gutters must include returns to direct the water to the lot of origin.
- c) Have the "zero" side designated on the Final Plat. Depict all access, maintenance and use easements on Preliminary and Final Plats.
- d) Have a five (5) foot wide access, maintenance and use easement dedicated on the Final Plat for all lots adjacent to lots with a "zero" side. This easement's purpose is to give the adjoining owner access to maintenance of his/her dwelling.
- e) Not have any windows, doors, ducts, grills, vents or other openings on building walls which are located facing the "zero" side. This requirement impedes exterior walls forming enclosures for courts, patios or similar indentations into the "zero" wall.

2. Alternative Product Plan

- a) Under PUD district regulations, developers may present an alternative product plan for developments that require unconventional standards such as setback, lot widths, and product types.

C. The below supplemental standards apply to all Planned Multi-Family Residential

1. Minimum Front Yard

- a) Adjacent to a townhouse, a duplex, a single-family zoning district, Planned Unit development (PUD) that allows townhouses, duplexes, or single-family residential, or area depicted on the Future Land Use Map (FLUM) for Rural and Neighborhood Residential.

Building Height	Yard Depth
One-Story	Fifty (50) feet
Two-Story	Fifty (50) feet
Three-Story	MF1: Seventy-five (75) feet MF2: One-hundred fifty (150) feet

- b) Adjacent to a nonresidential zoning district, multi-family zoning district, or area depicted on the FLUM as a use other than residential.

Building Height	Yard Depth
One-Story	Twenty-five (25) feet
Two-Story	Twenty-five (25) feet
Three-Story	MF1: Fifty (50) feet MF2: One-hundred (100) feet

2. Minimum Side Yard

- a) Adjacent to a residential zoning district, PUD that allows residential, or any area that is designated Rural and Neighborhood Residential on the FLUM.

Building Height	Yard Depth
One-Story	Fifty (50) feet
Two-Story	Seventy-five (75) feet
Three-Story	One-hundred fifty (150) feet

- b) Adjacent to a nonresidential zoning district, multi-family zoning district, PUD that allows nonresidential or multi-family development, or area depicted on the FLUM as a use other than residential.

Building Height	Yard Depth
One-Story	Twenty-five (25) feet
Two-Story	Twenty-five (25) feet
Three-Story	MF1: One-hundred (100) feet MF2: Sixty (60) feet

3. Minimum Rear Yard

- c) Adjacent to a residential zoning district, PUD that allows residential, or any area that is designated Rural and Neighborhood Residential, on the FLUM.

Building Height	Yard Depth
One-Story	Fifty (50) feet
Two-Story	Seventy-five (75) feet
Three-Story	One-hundred fifty (150) feet

- d) Adjacent to a nonresidential zoning district, multi-family zoning district, PUD that allows nonresidential or multi-family development, or area depicted on the FLUM as a use other than residential.

Building Height	Yard Depth
One-Story	Twenty-five (25) feet
Two-Story	Twenty-five (25) feet
Three-Story	MF1: One-hundred (100) feet MF2: Sixty (60) feet

- D. In order to encourage flexibility, developments with thirty (30) lots or more may provide up to fifteen (15) percent of the total lots with a lot area smaller than the zoning district minimum requirements as shown in the table below, provided the reduced lot sizes have a minimum lot width of sixty (60) feet. This flexibility option is only granted in the below Zoning Districts:

Zoning District	Minimum Lot Area For	
	At least 85% of the lots	Not more than 15% of the lots
SF-3	12,000 sq. ft.	6,600 sq. ft
SF-4	9,200 sq. ft.	6,600 sq. ft
SF-5	7,200 sq. ft.	6,600 sq. ft

E. Front Yard Encroachments

In order to increase flexibility in residential product development, there are two (2) provisions for Front Yard setbacks encroachment:

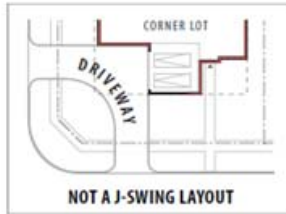
- 1) J-Swing Garage – a ten (10') foot max encroachment to a minimum fifteen (15') foot Front Yard setback. Reference below Exhibit 1.
- 2) Front porch – a ten (10') foot max encroachment to a minimum fifteen (15') foot Front Yard setback. Reference below Exhibit 2.

Exhibit 1

J-SWING GARAGE

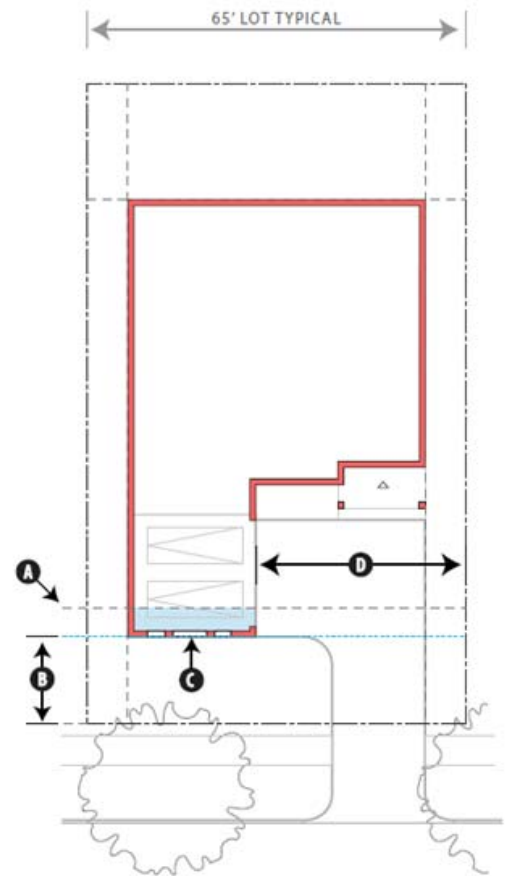
- A** Front building setback line
- B** Encroachment allowed FOR GARAGE ONLY
 - 10' max. encroachment
 - 5' max. when Front Yard Setback is 20'
 - 15' min. Front Yard setback

- Corner lots with dual curb cuts (per illustration at right) are not considered J-Swing garages, so are NOT allowed the front yard encroachment



NOTE: 2nd story encroachment NOT allowed above the J-swing garage; the 2nd floor must be setback to the original building setback line

- C** Must have at least one window on garage side facing street, with a min. size of 3' x 5'
- D** 28' min. distance between garage face and the side property line



NOT TO SCALE
FOR ILLUSTRATIVE PURPOSES ONLY

Exhibit 2

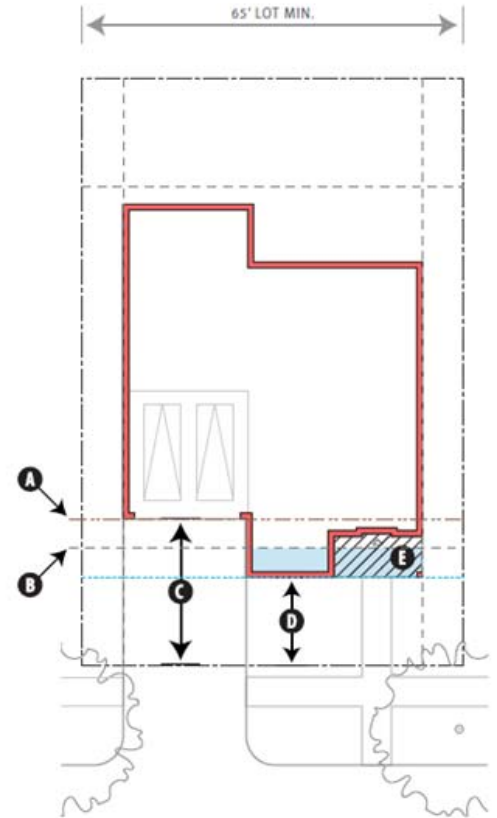
FRONT PORCH

- A** 25' garage setback line
- B** Front building setback line
- C** 25' min. distance between garage face and front property line
- D** Encroachment allowed for porch
 - 10' max. encroachment
 - 5' max. when Front Yard Setback is 20'
 - 15' min. Front Yard setback

Both 1st & 2nd story allowed the encroachment
ONLY IF min. front porch size requirements are met (see table below and pages 12-13)

- E** Min. porch size to allow encroachment (determined by zoning district):

7' D x 10' W (min.)	7' D x 20' W (min.)
SF-5, SF-6	SF-1, SF-2, SF-3, SF-4 and AG



NOT TO SCALE
 FOR ILLUSTRATIVE PURPOSES ONLY

Article 14.4 Lot Design Standards (Commercial)									
District Code	Zoning District (for setbacks in Overlay Districts reference UDC Article 4)				SETBACKS			Maximum Building Height (in	Maximum Lot/Impervious Coverage (%)
		Maximum Develop.	Minimum Lot Area (ft²) /	Minimum Lot Width	Minimum Front BSL	Minimum Rear BSL	Minimum Side BSL		
NON-RESIDENTIAL									
C1	Neighborhood Commercial	-	-	50	20	20	10	30	70
C2	Community Retail/Service	-	-	70	15	15	15	35	70
C3 ²	General Retail/Office	-	-	70	25 ¹	15	15	45	75
C4 ²	General Commercial	-	-	70	40	35	20	45	80
I1	Light Industrial	-	-	100	50	40	25	45	80
I2	Heavy Industrial	-	-	100	50	50	25	45	80
PF	Public Facilities	-	-	70	15	15	15	45	70

Notes:

- 1 May be reduced to 15' if parking provided at side or rear of building.
- 2 The City manager or his/her designee may approve a one third setback reduction to side or rear setbacks for any C-3 or C-4 lot(s) abutting the following zoning: C-3, C-4, I-1 or I2 zoning types.

ARTICLE 15. ACCESSORY BUILDINGS

		Article 15 Accessory Buildings				Typical Accessory Buildings³
District Code	Zoning District⁴	Maximum Height (ft)	Setbacks (ft)			
			From Principal Building	Side^{1,2}	Rear^{1,2}	
RESIDENTIAL						
SF-1	Estate Residential	12	5	10	10	Storage sheds, hobby workshops, non-commercial greenhouses
SF-2	Low Density Residential	12	5	10	10	
SF-3	Low-Medium Residential	10	5	5	5	
SF-4	Medium Residential	10	5	5	5	
SF-5	Medium-High Residential	10	5	5	5	
SF-6	High Density Residential	10	5	5	5	
MF1	Multi-Family	10	5	5	5	On-site laundry facilities, activity center
MF2	Multi-Family	15	5	15	20	
MH1	Manufactured Home	10	5	5	10	Storage sheds
MH2	Manufactured Housing Park	-	-	-	-	-
AG	Agricultural	None	5	5	10	Silos, barns, windmills

Notes

General Note: The maximum lot coverage found in Appendix C, with specific exceptions noted therein, applies in all cases.

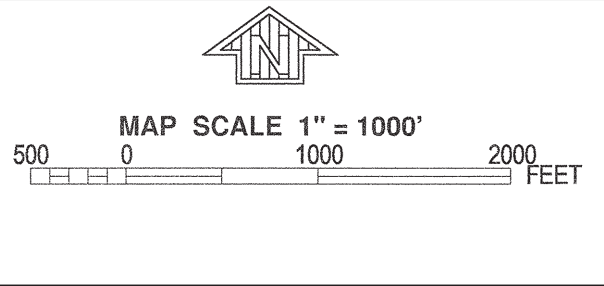
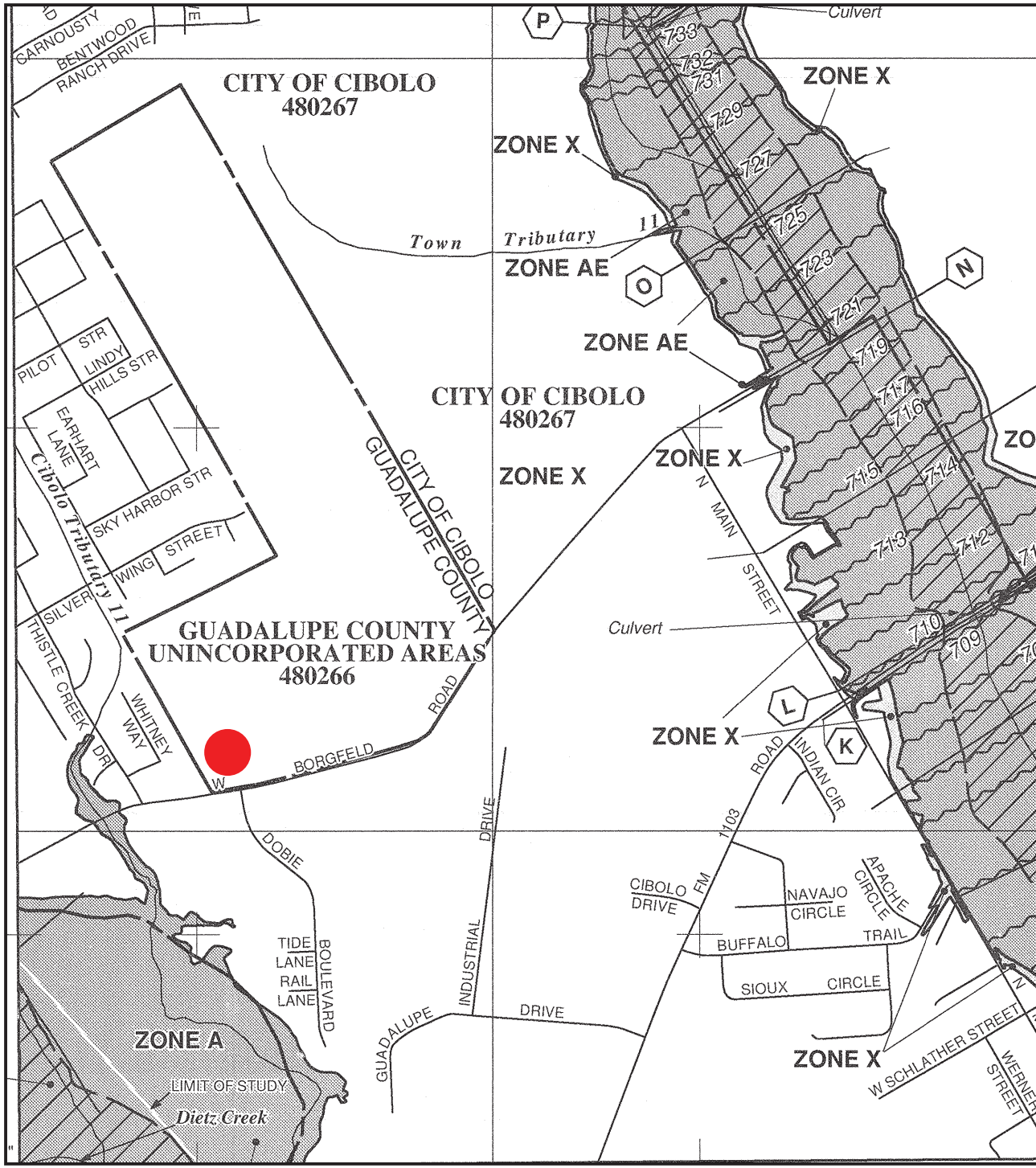
- 1 As listed, or the depths of the setbacks of existing lots on the same side of the street, whichever is greater.
- 2 Buildings on skids may be placed within three (3) feet of the property line, provided the placement does not interfere with the use of any easements present.
- 3 Off-street parking, utility service, sidewalks, park use are always allowable and do not count towards the requirements of this table. Typical structures are provided for reference only. Actual determination of an accessory structure lies at the discretion of the Planning and Engineering Director.
- 4 Commercial Accessory structures shall follow base zoning setbacks per Article 14

Zoning Application Calendar (2018)

Application Due Date (Monday)	Public Hearing Notice to City Secretary (Monday)	Notice to Surrounding Properties (Wednesday)	Publication in Local Newspaper (Sunday)	P&Z Meeting w/ Public Hearing (Wednesday)	City Council Meeting w/ Public Hearing (Tuesday)	City Council Meeting-Ordinance (Tuesday)
12/11/17	12/18/17	12/20/17	12/24/17	01/10/18	01/23/18	02/13/18
01/16/18	01/22/18	01/24/18	01/28/18	02/14/18	02/27/18	03/13/18
02/12/18	02/16/18	02/21/18	02/25/18	03/14/18	03/27/18	04/10/18
03/12/18	03/19/18	03/21/18	03/25/18	04/11/18	04/24/18	05/08/18
04/09/18	04/16/18	04/18/18	04/22/18	05/09/18	05/22/18	06/12/18
05/14/18	05/21/18	05/23/18	05/27/18	06/13/18	06/26/18	07/10/18
06/11/18	06/18/18	06/20/18	06/24/18	07/11/18	07/24/18	08/14/18
07/09/18	07/16/18	07/18/18	07/22/18	08/08/18	08/21/18	09/11/18
08/13/18	08/20/18	08/22/18	08/26/18	09/12/18	09/25/18	10/09/18
09/10/18	09/17/18	09/19/18	09/23/18	10/10/18	10/23/18	11/13/18
10/16/18	10/22/18	10/24/18	10/28/18	11/14/18	11/27/18	12/11/18
11/13/18	11/19/18	11/21/18	11/25/18	12/12/18	01/08/19	01/08/19
12/10/18	12/17/18	12/19/18	12/23/18	01/09/19	01/22/19	02/12/19

1. All dates subject to change. Dates conflicting with holidays have been altered accordingly (**bold** and *italic*)
2. All applications must be complete to be accepted.
3. Application Submittal Deadline does not guarantee specific Planning & Zoning or City Council Meeting dates for any application.
4. Applicants will receive a notice after the submittal deadline informing them that the application package is insufficient and requires additional documentation.
5. Applications expires on or after the 45th day from the date the application is filed, if the applicant fails to provide documents or other information necessary to application review, the application will be rejected.
6. Filing fees are non refundable.

REVISED 12/11/2017



FIRM
FLOOD INSURANCE RATE MAP
GUADALUPE COUNTY,
TEXAS
AND INCORPORATED AREAS

PANEL 230 OF 480
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:

<u>COMMUNITY</u>	<u>NUMBER</u>	<u>PANEL</u>	<u>SUFFIX</u>
GUADALUPE COUNTY	480266	0230	F
CIBOLO, CITY OF	480267	0230	F
SANTA CLARA, CITY OF	480013	0230	F
SCHERTZ, CITY OF	480269	0230	F

Notice to User: The **Map Number** shown below should be used when placing map orders; the **Community Number** shown above should be used on insurance applications for the subject community.



MAP NUMBER
48187C0230F
EFFECTIVE DATE
NOVEMBER 2, 2007

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

7.0 **ADDITIONAL SERVICES**

7.1 **Non-Scope Issues**

ASTM guidelines identify non-scope issues, which are beyond the scope of this practice. Non-scope issues have the potential to be business environmental risks. Some of these non-scope issues include; asbestos-containing building materials, radon, lead-based paint, lead in drinking water, wetlands and mold.

We were authorized to conduct the following non-scope issues for the site:

Asbestos-Containing Materials

No suspect asbestos containing materials were observed on the subject property. Due to the historical development on the site, the presence of ACM on the site is possible. However, the presence of ACM or lack thereof, can only be determined by conducting an asbestos survey and testing of the suspected ACM.

FEMA Flood Information

According to data obtained from the FEMA FIRM online database, the subject site is located in a Zone X, outside the 500-year floodzone. The FEMA FIRM map is attached in Appendix I.

Lead Based Paint

We did not observe flaking or peeling paint at the time of our site visit. Due to the historical development on the site, the presence of LBP on the site is possible. However, the presence of LBP or lack thereof, can only be determined by surveying and testing of representative painted surfaces.

Lead in Drinking Water

Municipal water supply is supplied to the site by the City of Cibola and Green Valley Special Utility District. ECS reviewed the Green Valley Special Utility District 2013 Annual Drinking Water Quality Report. The municipal water supply is reportedly routinely sampled and analyzed to determine if for drinking water quality. Based on the data reviewed, lead in drinking water did not exceed the EPA Maximum Contaminant Level (MCL) of 15 parts per billion (ppb). A copy of this report is included in Appendix III.

Noise Abatement and Control

Based on the location and the current use of the property, a noise abatement and control study is not warranted for the site.

Radon Gas

Radon is a naturally occurring gaseous substance resulting from the radioactive decay of uranium to radium and then to radon. Uranium is a common element found in many geologic formations and substrates, particularly igneous and metamorphic rocks. Radon has a half-life of only 3.8 days and decays to its daughter elements which represent the health hazard commonly associated with radon.

The EPA has established a list that identifies areas of the U.S. with the potential for elevated indoor radon levels. The EPA Map of Radon Zones assigns each county in the

TEXAS EDUCATION AGENCY
2017 Accountability Summary
WATTS EL (094902110) - SCHERTZ-CIBOLO-U CITY ISD

Accountability Rating

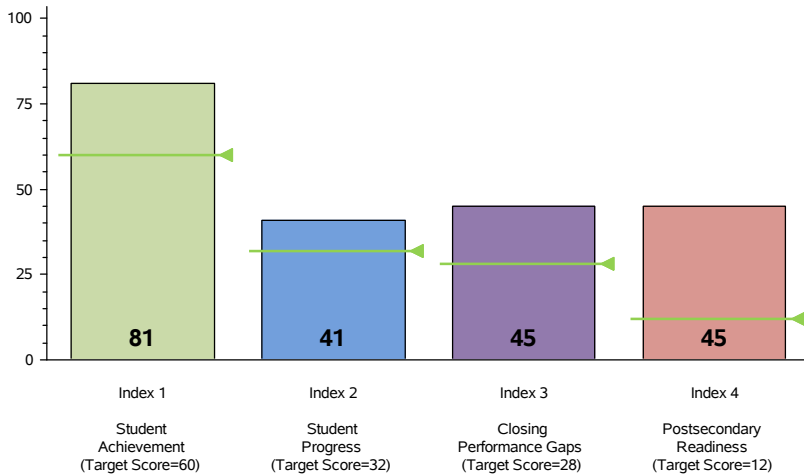
Met Standard

Met Standards on	Did Not Meet Standards on
<ul style="list-style-type: none"> - Student Achievement - Student Progress - Closing Performance Gaps - Postsecondary Readiness 	<ul style="list-style-type: none"> - NONE
In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.	

Distinction Designation

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

Performance Index Report



Campus Demographics

Campus Type	Elementary
Campus Size	636 Students
Grade Span	EE - 04
Percent Economically Disadvantaged	33.2
Percent English Language Learners	1.9
Mobility Rate	15.9
Percent Served by Special Education	10.5
Percent Enrolled in an Early College High School Program	0.0

Performance Index Summary

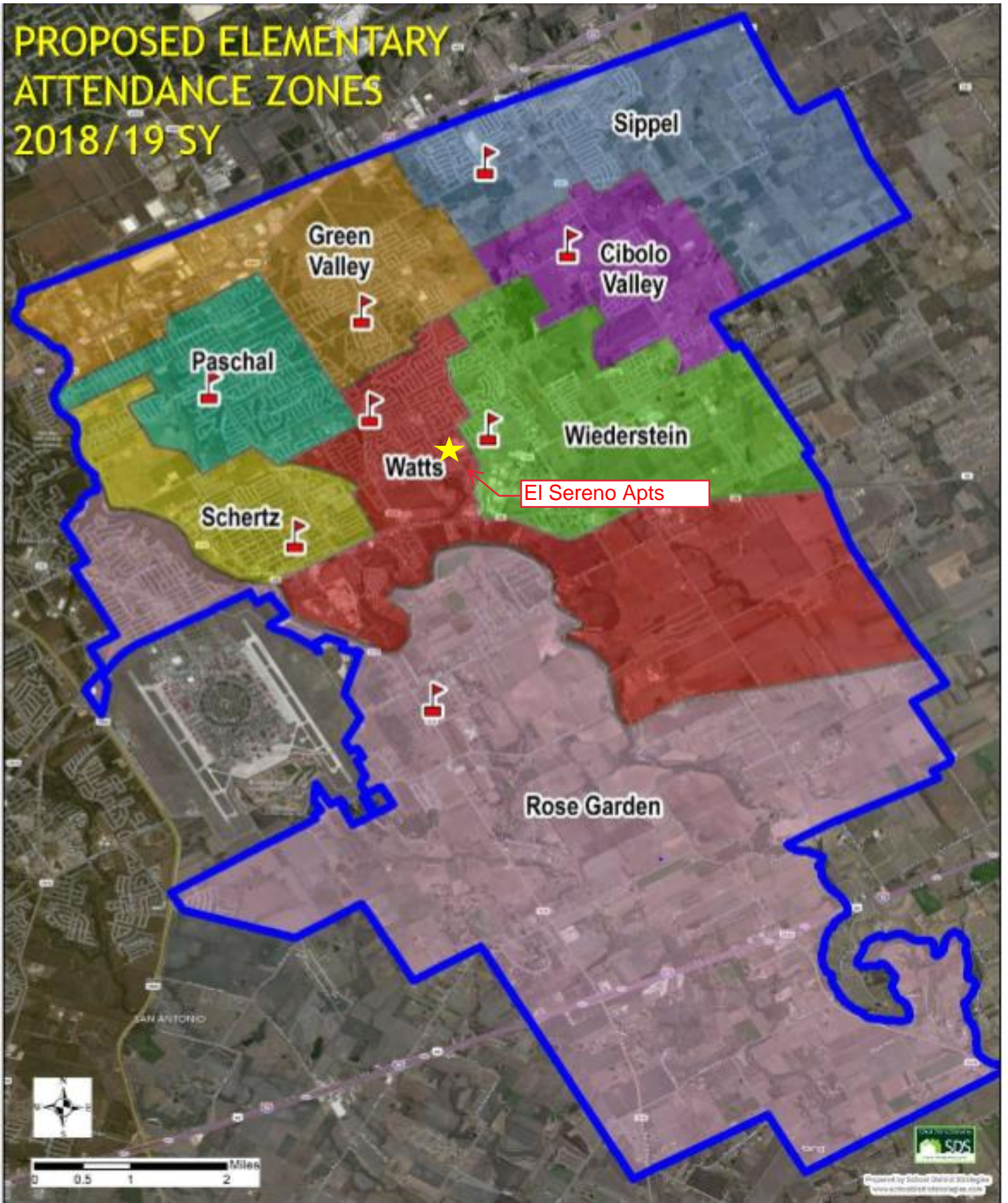
Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	476	588	81
2 - Student Progress	246	600	41
3 - Closing Performance Gaps	543	1,200	45
4 - Postsecondary Readiness			
STAAR Score	44.7		
Graduation Rate Score	N/A		
Graduation Plan Score	N/A		
Postsecondary Component Score	N/A		45

System Safeguards

Number and Percentage of Indicators Met	
Performance Rates	11 out of 12 = 92%
Participation Rates	8 out of 8 = 100%
Graduation Rates	N/A
Total	19 out of 20 = 95%

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

PROPOSED ELEMENTARY ATTENDANCE ZONES 2018/19 SY



TEXAS EDUCATION AGENCY 2017 Accountability Summary

BARBARA JORDAN INT (094902109) - SCHERTZ-CIBOLO-U CITY 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.

Distinction Designation

Academic Achievement in ELA/Reading

NO DISTINCTION EARNED

Academic Achievement in Mathematics

NO DISTINCTION EARNED

Academic Achievement in Science

NO DISTINCTION EARNED

Academic Achievement in Social Studies

NOT ELIGIBLE

Top 25 Percent Student Progress

NO DISTINCTION EARNED

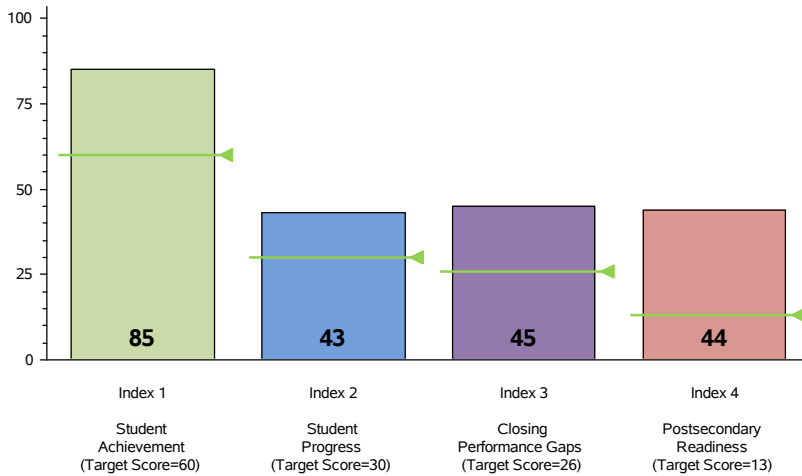
Top 25 Percent Closing Performance Gaps

NO DISTINCTION EARNED

Postsecondary Readiness

NO DISTINCTION EARNED

Performance Index Report



Campus Demographics

Campus Type	Middle School
Campus Size	686 Students
Grade Span	05 - 06
Percent Economically Disadvantaged	22.3
Percent English Language Learners	0.9
Mobility Rate	12.5
Percent Served by Special Education	10.5
Percent Enrolled in an Early College High School Program	0.0

Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	1,380	1,623	85
2 - Student Progress	599	1,400	43
3 - Closing Performance Gaps	816	1,800	45
4 - Postsecondary Readiness			
STAAR Score	43.8		
Graduation Rate Score	N/A		
Graduation Plan Score	N/A		
Postsecondary Component Score	N/A		44

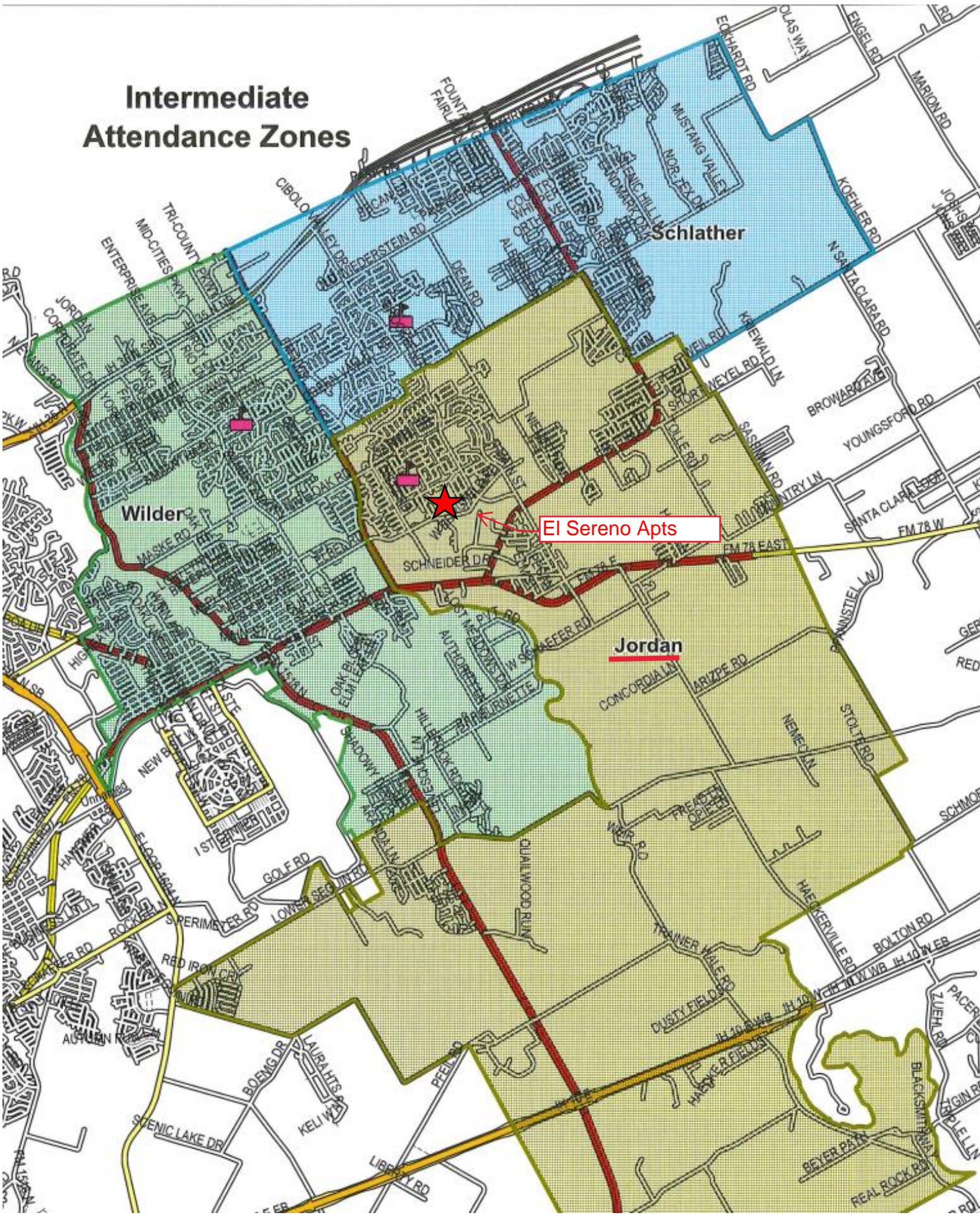
System Safeguards

Number and Percentage of Indicators Met

Performance Rates	16 out of 20 = 80%
Participation Rates	14 out of 14 = 100%
Graduation Rates	N/A
Total	30 out of 34 = 88%

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

Intermediate Attendance Zones



TEXAS EDUCATION AGENCY 2017 Accountability Summary

RAY D CORBETT J H (094902041) - SCHERTZ-CIBOLO-U CITY 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.

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

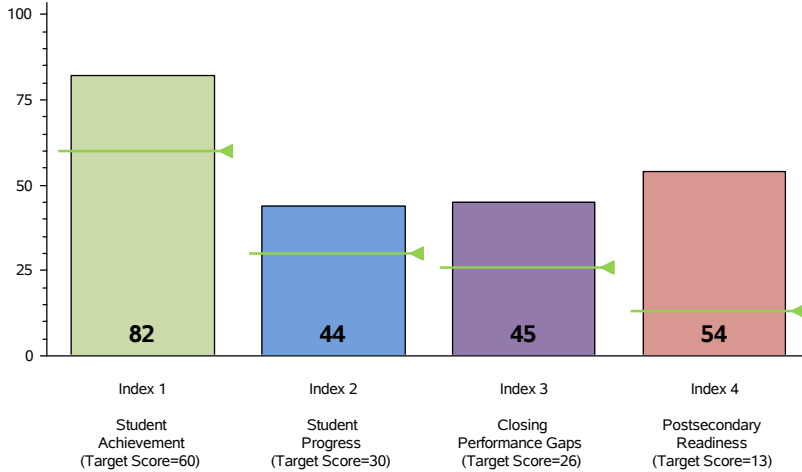
Top 25 Percent Closing Performance Gaps

NO DISTINCTION EARNED

Postsecondary Readiness

NO DISTINCTION EARNED

Performance Index Report



Campus Demographics

Campus Type	Middle School
Campus Size	1,237 Students
Grade Span	07 - 08
Percent Economically Disadvantaged	32.3
Percent English Language Learners	4.6
Mobility Rate	12.5
Percent Served by Special Education	10.5
Percent Enrolled in an Early College High School Program	0.0

Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	3,332	4,079	82
2 - Student Progress	707	1,600	44
3 - Closing Performance Gaps	1,360	3,000	45
4 - Postsecondary Readiness			
STAAR Score	54.4		
Graduation Rate Score	N/A		
Graduation Plan Score	N/A		
Postsecondary Component Score	N/A		54

System Safeguards

Number and Percentage of Indicators Met

Performance Rates	32 out of 38 = 84%
Participation Rates	16 out of 16 = 100%
Graduation Rates	N/A
Total	48 out of 54 = 89%

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

S.C.U.C. ISD Junior High/High School Attendance Zones

Dobie JH / Steele HS

Steele HS

Dobie JH

El Sereno

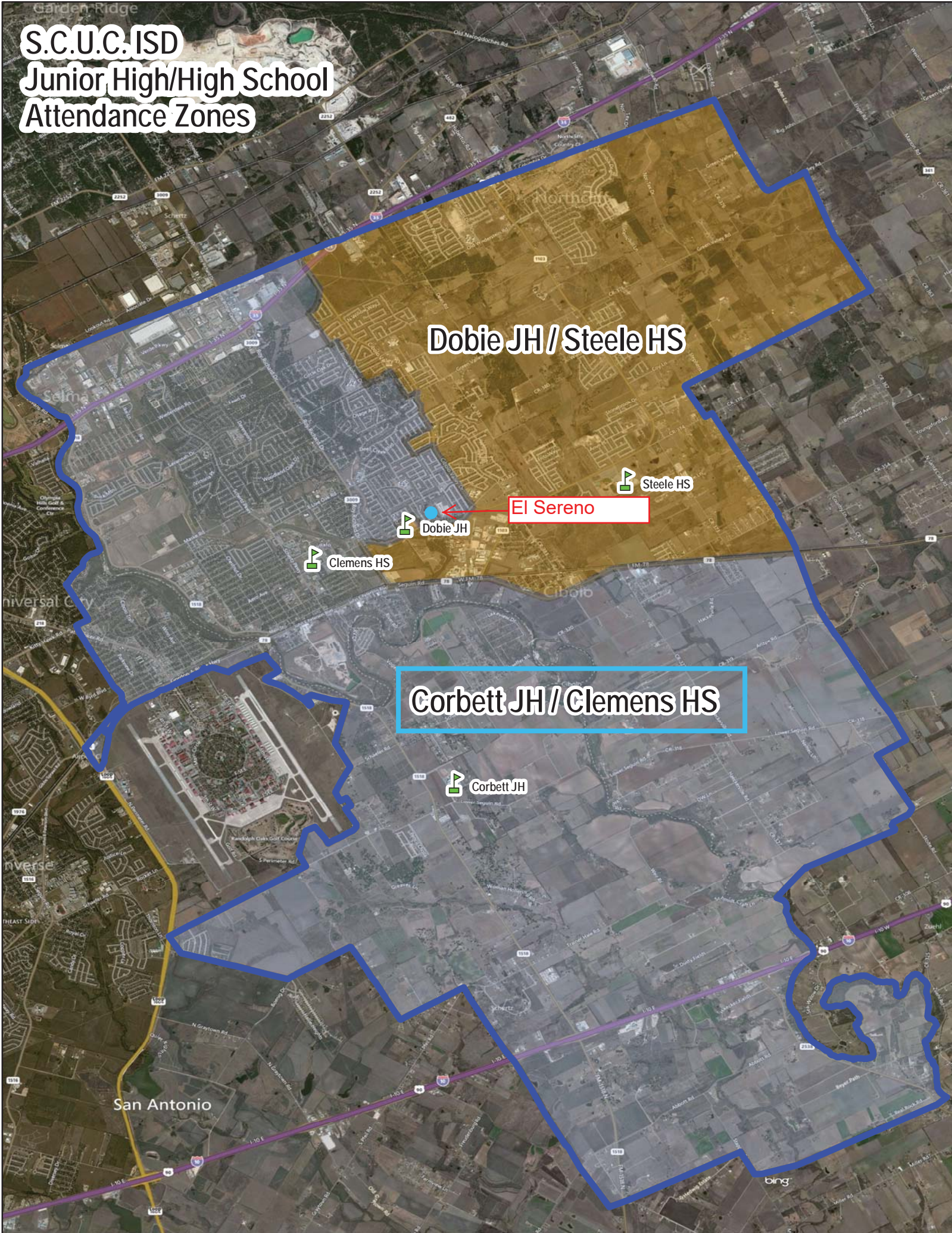
Clemens HS

Corbett JH / Clemens HS

Corbett JH

San Antonio

bing



TEXAS EDUCATION AGENCY

2017 Accountability Summary

SAMUEL CLEMENS H S (094902001) - SCHERTZ-CIBOLO-U CITY ISD

Accountability Rating

Met Standard

Met Standards on	Did Not Meet Standards on
<ul style="list-style-type: none"> - Student Achievement - Student Progress - Closing Performance Gaps - Postsecondary Readiness 	<ul style="list-style-type: none"> - NONE

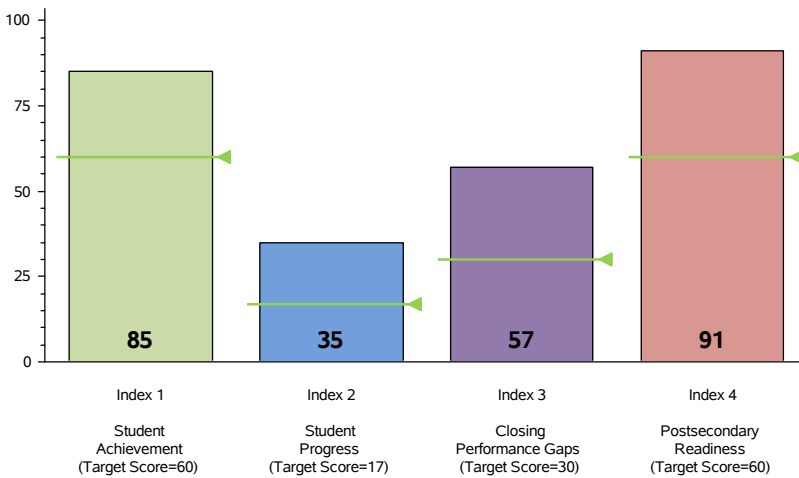
In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Distinction Designation



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

Performance Index Report



Campus Demographics

Campus Type	High School
Campus Size	2,663 Students
Grade Span	09 - 12
Percent Economically Disadvantaged	25.6
Percent English Language Learners	2.3
Mobility Rate	12.3
Percent Served by Special Education	7.4
Percent Enrolled in an Early College High School Program	0.0

Performance Index Summary

Index	Points Earned	Maximum Points	Index Score
1 - Student Achievement	2,927	3,443	85
2 - Student Progress	565	1,600	35
3 - Closing Performance Gaps	1,358	2,400	57
4 - Postsecondary Readiness			
STAAR Score	18.8		
Graduation Rate Score	24.7		
Graduation Plan Score	24.4		
Postsecondary Component Score	22.6		91

System Safeguards

Number and Percentage of Indicators Met

Performance Rates	27 out of 29 = 93%
Participation Rates	15 out of 16 = 94%
Graduation Rates	7 out of 7 = 100%
Total	49 out of 52 = 94%

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

S.C.U.C. ISD Junior High/High School Attendance Zones

Dobie JH / Steele HS

Steele HS

Dobie JH

El Sereno

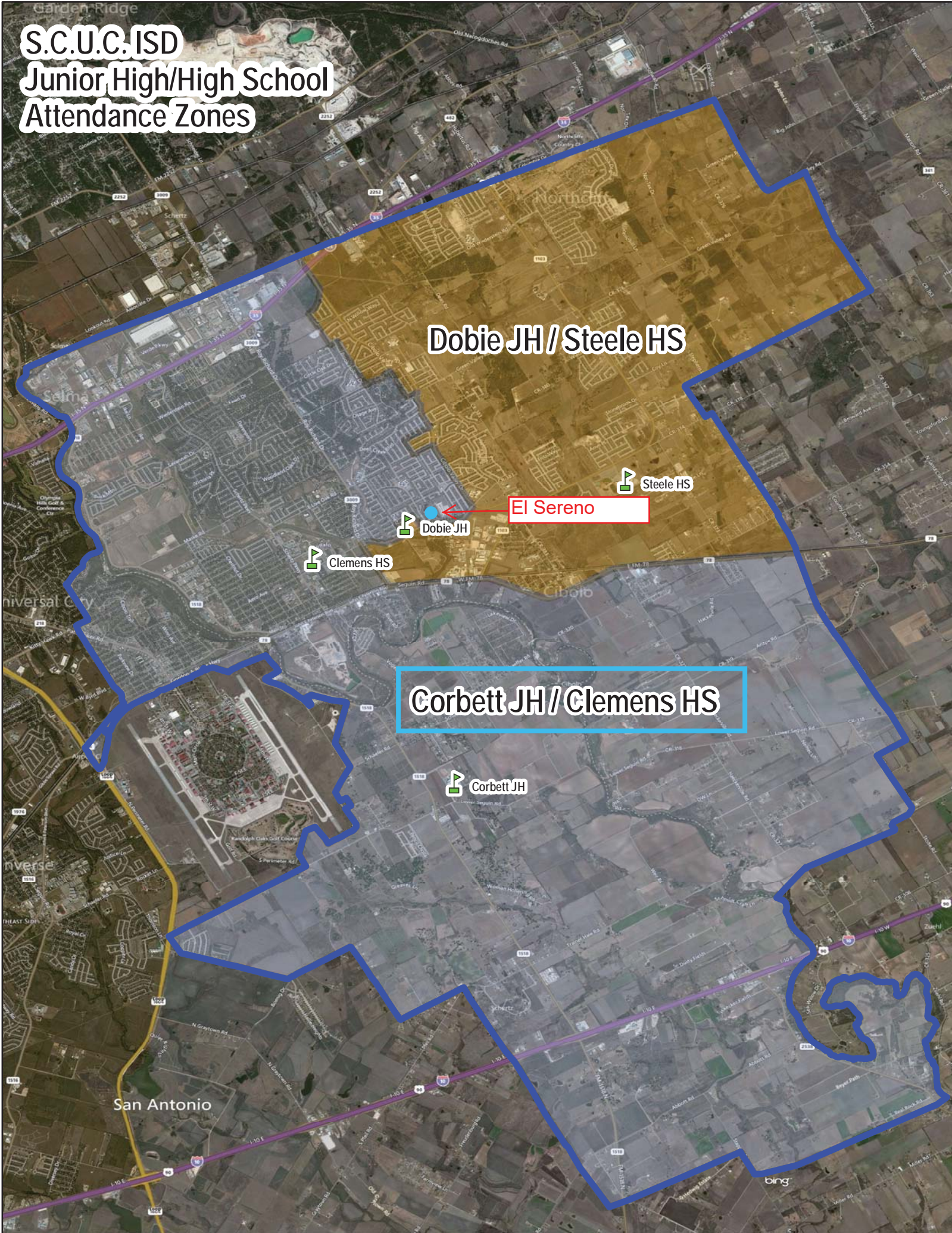
Clemens HS

Corbett JH / Clemens HS

Corbett JH

San Antonio

bing



Site Information Form Part II

16

1. **§11.9(c)(4) - Opportunity Index (Competitive HTC and Direct Loan Applications Only)**

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

AND

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

OR

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

Contiguous Census Tract #

Contiguous Tract Quartile

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 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.

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:



6

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);
- 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 #	<input type="text"/>	Contiguous Census Tract #	<input type="text"/>
Contiguous Census Tract #	<input type="text"/>	Contiguous Census Tract #	<input type="text"/>
Contiguous Census Tract #	<input type="text"/>	Contiguous Census Tract #	<input type="text"/>

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

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.
- AND**
- Population of Place is 200,000-499,999 and Development is located w/in 2 miles of the main municipal government administration building. **OR**
- Population of Place is 500,000 or more and Development is located w/in 4 miles of the main municipal government administration building.

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

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

Region:

- 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):

<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

- A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.
- No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

OR

Development is in a Rural Area. Rehabilitation Demolition/Reconstruction

Development has been leased at 85% or more for the six months preceding Application by low income households (excluding unlivable units identified in CNA);

AND

Development was constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, HOME, or CDBG;

AND

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

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

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

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

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

Application is seeking points for Concerted Revitalization.

Total Points Claimed:



0

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

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:

0

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

Application meets all of the following requirements:

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

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

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.












Application is seeking points for Readiness to Proceed.

Total Points Claimed:





0

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
http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp
- 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>
- Print-out from THECB website confirming accreditation of university or community college
<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, news paper 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>
- 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:
<http://www.twdb.texas.gov/financial/programs/EDAP/index.asp>
- 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>
- 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)**
- Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body. 

n/a Concerted Revitalization Plan (Competitive HTC Only)

Urban:

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

Rural:

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

Declared Disaster Area:

- X** The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas (no further documentation is required).

The List of Declared Disaster Areas is posted on the Department's website at <http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm>

- 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

- X** 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 on 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

- Confirmation from lender that non-refundable application and/or due diligence fee has been paid to lender and/or equity provider

Documentation from lender of the lenders' critical path schedule for underwriting and approval including when application fees will be paid and third party reports reviewed.

Evidence from lender that the lenders' third party reports have been ordered

Signed architect contract

Critical path schedule with specific anticipated date for each milestone for site development and building permitting from the architect of record

Permit-ready architectural plans

Evidence that Site Plan has been submitted for permit and received by the appropriate permitting authority

Description from architect of record of current stage of architectural plans

Evidence that site development permit application has been submitted and received by the appropriate permitting authority

Description of timing for property acquisition

Description of timing for construction permits

Evidence of selection of construction contractor

Description of timing for execution of construction contracts

For any applicable public entity, evidence that contract procurement(s) has been issued per 2 CFR 200

For any applicable public entity, evidence that contract procurement(s) has been completed per 2 CFR 200

Detailed construction schedule including groundbreaking, start of site work, start of vertical construction, etc.

Project execution plan

Other (describe):

Other (describe): _____

Other (describe): _____

Other (describe): _____

Other (describe): _____

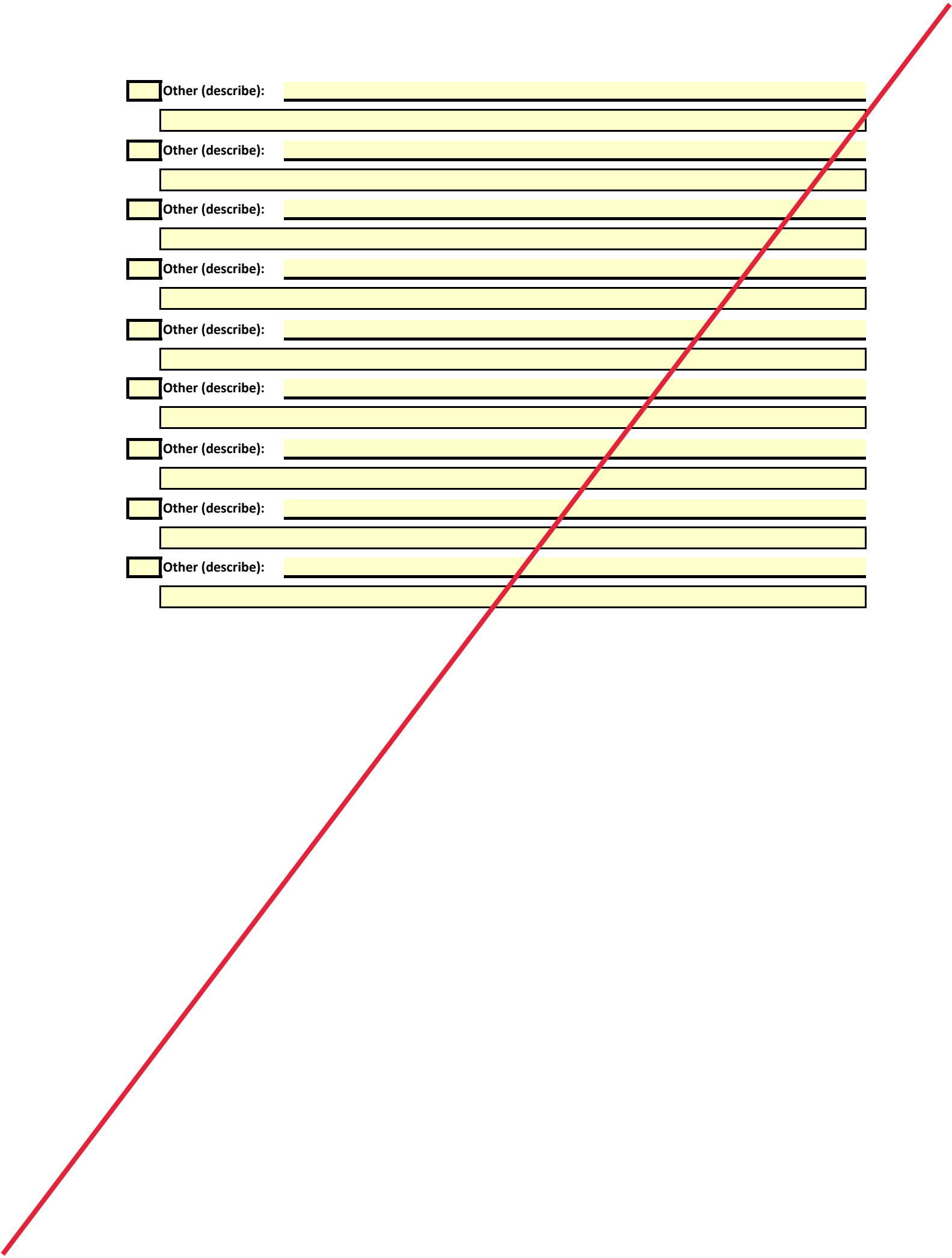
Other (describe): _____

Other (describe): _____

Other (describe): _____

Other (describe): _____

Other (describe): _____



TDHCA #	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LIHTC Amt Awarded	Total Units	LIHTC Units	Population Served	Apt. Phone #
92085	9% HTC		1992	1992	Cibolo Plaza	730 FM 1103	Cibolo	Guadalupe	78108	\$30,532	24	24	General	(210) 945-2585
16128	9% HTC		2016	07/28/16	Borgfeld Manor	NW of W. Borgfeld Road and Dobie Road	Cibolo	Guadalupe	78108	\$1,500,000	136	119	Elderly Limitation	(214) 941-0089
						Cibolo Count	2							

Renamed:
 El Sereno Apartments



HUD.GOV

U.S. Department of Housing and Urban Development
Secretary Ben Carson



Site Map | Print | Font A A A SHARE

HOME ABOUT PD&R RESEARCH & PUBLICATIONS DATA SETS INITIATIVES QUICK LINKS EVENTS



QUALIFIED CENSUS TRACTS

The 2015 Qualified Census Tracts (QCTs) are effective January 1, 2015. The designation uses data from the 2010 Decennial Census and three releases of tabulations from the American Community Survey (ACS): 2006-2010; 2007-2012. The revised designation methodology using three years of data is explained in the Federal Register notice published October 3, 2011 (http://www.huduser.gov/portal/Datasets/QCT/DDA2015_Notice.pdf).

48187210708

Texas

Map Options : Clear | Reset | Full Screen

QCT Legend:

— Tract Outline

Qualified Census Tracts (2014 Only)

Qualified Census Tracts (2015 Only)

Qualified Census Tracts (2014 & 2015)



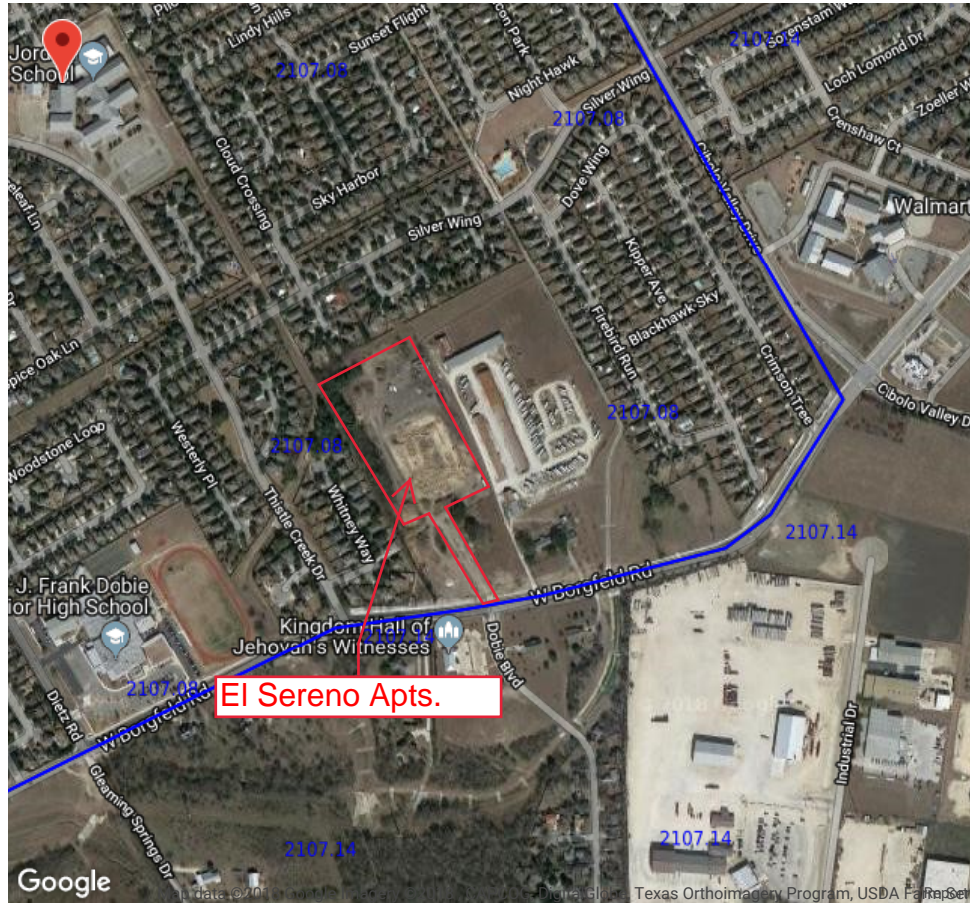
QCT Options

16 Current Zoom Level

- Show Tracts Outline (Zoom 11+)
- Show LIHTC Projects (Zoom 11+)
- Color Qualified Tracts (Zoom 7+)

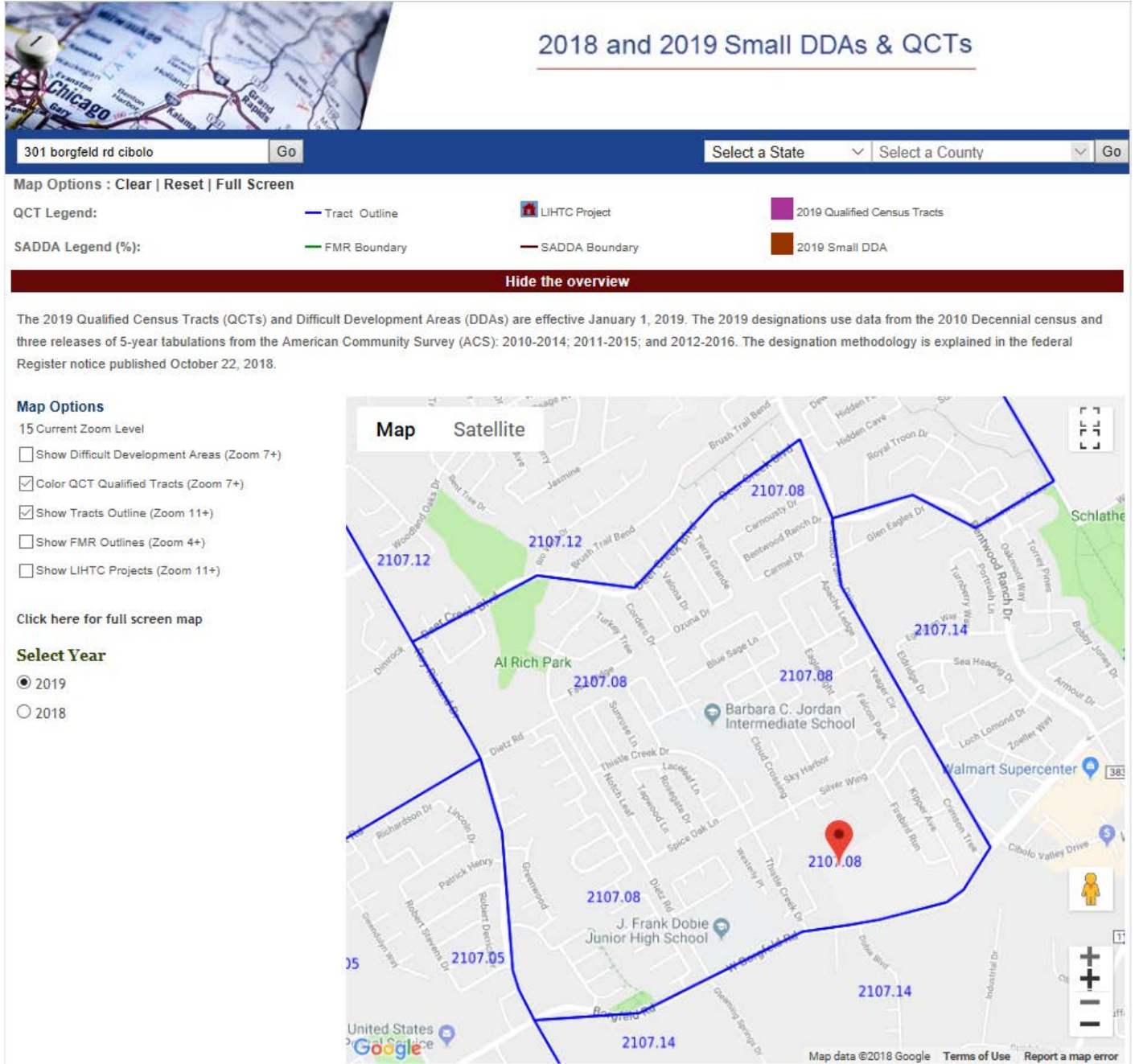
[Click here for full screen map](#)

The Address "245 borgfeld, cibolo, tx" falls under Tract "48187210708". This tract is for 2013 or 2014



El Sereno Apartments

Site Relative to Census Tract Boundaries



El Sereno Apartments

Site Census Tract Boundaries Relative to Boundaries of Incorporated Area



2018 and 2019 Small DDAs & QCTs

301 borgfeld rd cibolo

Map Options : [Clear](#) | [Reset](#) | [Full Screen](#)

- QCT Legend:**
- Tract Outline
 - LIHTC Project
 - 2019 Qualified Census Tracts
- SADDA Legend (%):**
- FMR Boundary
 - SADDA Boundary
 - 2019 Small DDA

[Hide the overview](#)

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options

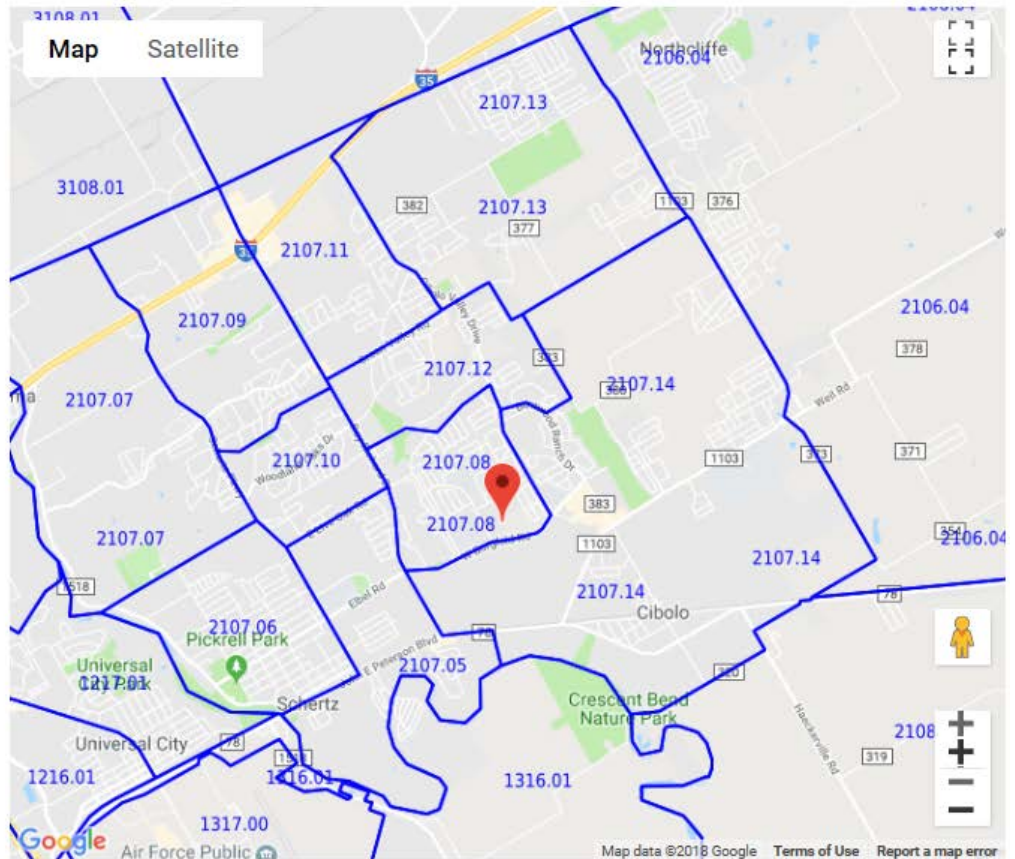
13 Current Zoom Level

- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

[Click here for full screen map](#)

Select Year

- 2019
- 2018






GOVERNOR GREG ABBOTT

November 4, 2018

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:30AM O'CLOCK

The Honorable Rolando B. Pablos
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

NOV 04 2018

Secretary of State

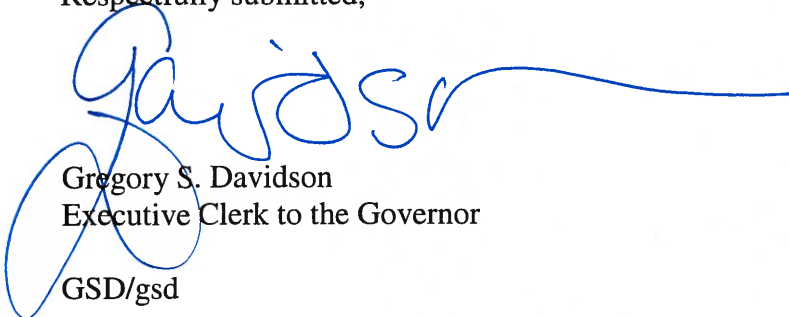
Dear Mr. Secretary:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

A proclamation stating that a state of disaster continues to exist in Texas as a result of catastrophic damage caused by Hurricane Harvey in Angelina, Aransas, Atascosa, Austin, Bastrop, Bee, Bexar, Brazoria, Brazos, Burleson, Caldwell, Calhoun, Cameron, Chambers, Colorado, Comal, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Grimes, **Guadalupe**, Hardin, Harris, Jackson, Jasper, Jefferson, Jim Wells, Karnes, Kerr, Kleberg, Lavaca, Lee, Leon, Liberty, Live Oak, Madison, Matagorda, Milam, Montgomery, Newton, Nueces, Orange, Polk, Refugio, Sabine, San Patricio, San Augustine, San Jacinto, Trinity, Tyler, Victoria, Walker, Waller, Washington, Wharton, Willacy, and Wilson Counties.

The original proclamation is attached to this letter of transmittal.

Respectfully submitted,


Gregory S. Davidson
Executive Clerk to the Governor
GSD/gsd

Attachment

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

WHEREAS, I, GREG ABBOTT, Governor of the State of Texas, issued a disaster proclamation on August 23, 2017, certifying that Hurricane Harvey posed a threat of imminent disaster for Aransas, Austin, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Harris, Jackson, Jefferson, Jim Wells, Karnes, Kleberg, Lavaca, Liberty, Live Oak, Matagorda, Nueces, Refugio, San Patricio, Victoria, Waller, Wharton and Wilson counties; and

WHEREAS, the disaster proclamation of August 23, 2017, was subsequently amended on August 26, August 27, August 28 and September 14 to add the following counties to the disaster proclamation: Angelina, Atascosa, Bastrop, Bexar, Brazos, Burleson, Caldwell, Cameron, Comal, Grimes, Guadalupe, Hardin, Jasper, Kerr, Lee, Leon, Madison, Milam, Montgomery, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Trinity, Tyler, Walker, Washington and Willacy; and

WHEREAS, on September 20, 2017, and in each subsequent month effective through today, I issued proclamations renewing the disaster declaration for all counties listed above; and

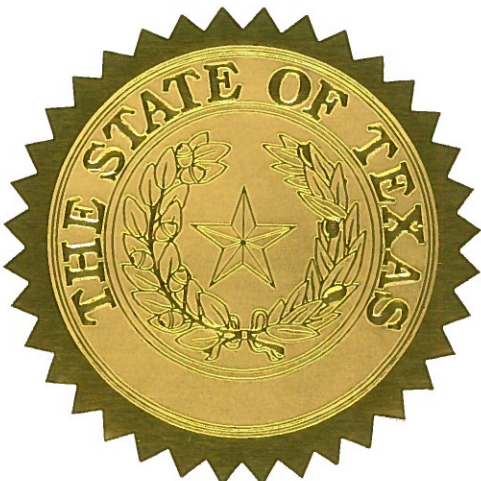
WHEREAS, due to the catastrophic damage caused by Hurricane Harvey, a state of disaster continues to exist in those same counties;

NOW, THEREFORE, in accordance with the authority vested in me by Section 418.014 of the Texas Government Code, I do hereby renew the disaster proclamation for the 60 counties listed above.

Pursuant to Section 418.017 of the code, I authorize the use of all available resources of state government and of political subdivisions that are reasonably necessary to cope with this disaster.

Pursuant to Section 418.016 of the code, any regulatory statute prescribing the procedures for conduct of state business or any order or rule of a state agency that would in any way prevent, hinder or delay necessary action in coping with this disaster shall be suspended upon written approval of the Office of the Governor. However, to the extent that the enforcement of any state statute or administrative rule regarding contracting or procurement would impede any state agency's emergency response that is necessary to protect life or property threatened by this declared disaster, I hereby authorize the suspension of such statutes and rules for the duration of this declared disaster.

In accordance with the statutory requirements, copies of this proclamation shall be filed with the applicable authorities.



IN TESTIMONY WHEREOF, I have hereunto signed my name and have officially caused the Seal of State to be affixed at my office in the City of Austin, Texas, this the 4th day of November, 2018.

A handwritten signature in black ink that reads "Greg Abbott".

GREG ABBOTT
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:30AM O'CLOCK

NOV 04 2018

ATTESTED BY:



ROLANDO B. PABLOS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
11:30 AM O'CLOCK

NOV 04 2018

Site Information Form Part III

Self Score Total: **16**

1. Site Acreage

Please identify site acreage as listed in each of the following exhibits/documents.

Site Control: **10.308** Site Plan: **10.308** Appraisal: **_____** ESA: **10.308**

(*) 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:

[A description of any reductions except as a result of dedication of land for roadways, easements or other changes that may occur during development may help the Applicant avoid future amendments.]

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):

Borgfeld Housing, LP

Mohannad H. Mohanna

Entity Name

Contact Name

330 West Victoria Street

Address

Gardena

CA

90248

4/26/2017

City

State

Zip

Date of Last Sale

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?

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:

Name:

Daniel Kardys; Richard and Jessie Kardys; etc (family owned)

Relationship:

none

Site Control is in the form of:

Contract for sale.

Recorded Warranty Deed with corresponding executed closing/settlement statement.

Contract for lease.

Expiration of Contract or Option: **_____**

Anticipated Closing Date: **_____**

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? **_____**

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**)
- X 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.

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



Increase in Eligible Basis (30% Boost)

- Resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development, if applicable.
- Census tract map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within a QCT, if applicable
- SADDA map clearly showing the Development is located within the boundaries of a SADDA, if applicable 

Site & Neighborhood Standards (New Construction Direct Loan only)

Confirm the following supporting documents are provided behind this tab.

See Cover Letter

- Letters on company letterhead from local utility providers confirming the site has access to the following services: water and wastewater/sewer, electricity, garbage disposal and natural gas, if applicable.
- Statement explaining how the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.
- A statement confirming that travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, is not excessive. This is not applicable for Developments proposing to serve Elderly.



30
oma

This deed of trust is not applicable to site control, but it does show that the loan was closed. - bps

Prepared By/Return To:
Buchalter, a Professional Corporation
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attn.: Michael Williamson, Esq.

GF# 4713007118 AR
NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DELIVERY ASSURANCE DEED OF TRUST ASSIGNMENT,
SECURITY AGREEMENT AND
FIXTURE FILING

by
BORGFELD HOUSING, LP,
a Texas limited partnership,
as Grantor,

to and in favor of

PRLAP, INC., a Texas corporation,
as Trustee,

and

BANK OF AMERICA, N.A.,
a national banking association,
as Beneficiary

(This document serves as a Fixture Filing under Section 9.502 of the Texas Business and Commerce Code)

Grantor's Organizational Identification Number is: 0802536202
City/County: Cibolo, Guadalupe County
State: Texas

DELIVERY ASSURANCE DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND
FIXTURE FILING

This DELIVERY ASSURANCE DEED OF TRUST, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING is made as of the 26th day of April, 2017, by BORGFELD HOUSING, LP, a Texas limited partnership (herein referred to as "Grantor"), whose address is c/o Highridge Costa Housing, 330 W. Victoria Street, Gardena, CA 90248, to PRLAP, INC., a Texas corporation, ("Trustee"), for the benefit of BANK OF AMERICA, N.A., a national banking association ("Lender"), whose address is Bank of America, N.A., Loan Administration, Mail Code # CA4-702-02-29, 2001 Clayton Road, 2nd Floor, Concord, CA 94520, Attention: Loan Administration Manager - and any other Beneficiary (defined below).

Recitals

WHEREAS, Grantor has requested that Lender make the Loan (as hereinafter defined) to Grantor. As a condition precedent to making the Loan, Lender has required that Grantor execute and deliver this Delivery Assurance Deed of Trust, Assignment, Security Agreement and Fixture Filing to Trustee and Lender.

Grants and Agreements

Now, therefore, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by Grantor, and in order to induce Lender to make the Loan to Grantor, Grantor agrees as follows:

Article I
Definitions.

As used in this Deed of Trust, the terms defined in the Preamble hereto shall have the respective meanings specified therein, and the following additional terms shall have the meanings specified:

"Accessories" means all fixtures, fittings, apparatus, equipment, systems, machinery, furniture, furnishings, appliances, inventory, goods, building and construction materials, supplies and other articles of personal property and replacements thereof, of every kind and character, tangible and intangible (including software embedded therein), now owned or hereafter acquired by Grantor, which are now or hereafter attached to, affixed to, placed upon or situated in, on or about the Land or Improvements, or used in or necessary to the complete and proper planning, development, use, occupancy or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use or installation in or on the Land or Improvements, and all Additions to the foregoing, all of which are hereby declared to be permanent accessions to the Land.

"Accounts" means all accounts of Grantor within the meaning of the Uniform Commercial Code of the State, derived from or arising out of the use, occupancy or enjoyment of the Property or for services rendered therein or thereon.

"Additions" means any and all alterations, additions, accessions and improvements to property, substitutions therefor, and renewals and replacements thereof.

"Beneficiary" means Lender and its successors, participants, and assigns.

"Claim" means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including fees, costs and expenses of attorneys, consultants, contractors and experts.

"Condemnation" means any taking of title to, use of, or any other interest in the Property under the exercise of the power of condemnation or eminent domain, whether temporarily or permanently, by any Governmental Authority or by any other Person acting under or for the benefit of a Governmental Authority.

"Condemnation Awards" means any and all judgments, awards of damages (including severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

"Contract of Sale" means any contract for the sale of all or any part of the Property or any interest therein, whether now in existence or hereafter executed.

"Default" means an event or circumstance which, with the giving of Notice or lapse of time, or both, would constitute an Event of Default under the provisions of this Mortgage.

"Design and Construction Documents" means, collectively, (a) all contracts for services to be rendered, work to be performed or materials to be supplied in the development of the Land or the construction or repair of Improvements, including all agreements with architects, engineers or contractors for such services, work or materials; (b) all plans, drawings and specifications for the development of the Land or the construction or repair of Improvements; (c) all permits, licenses, variances and other rights or approvals issued by or obtained from any Governmental Authority or other Person in connection with the development of the Land or the construction or repair of Improvements; and (d) all amendments of or supplements to any of the foregoing.

"Encumbrance" means any Lien, easement, right of way, roadway (public or private), declaration, condition, covenant, or restriction (including any declaration, condition, covenant, or restriction in connection with any condominium development or cooperative housing development), Lease or other matter of any nature that would affect title to the Property.

"Event of Default" means an event or circumstance specified in Article VI and the continuance of such event or circumstance beyond the applicable grace and/or cure periods therefor, if any, set forth in Article VI.

"Expenses" means all fees, charges, costs and expenses of any nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by Beneficiary or Trustee in making, funding, administering or modifying the Loan, in protecting the security of this Deed of Trust, in negotiating or entering into any **"workout"** of the Loan, or in exercising or enforcing any rights, powers and remedies provided in this Mortgage or any of the other Loan Documents, including attorneys' fees, court costs, receiver's fees, management fees and costs incurred in the completion, repair, maintenance and operation of, or taking possession of, or selling, the Property and a reasonable fee (not exceeding five percent (5%) of the gross proceeds of such sale) to Trustee acting under the provisions of **Section 7.2** if foreclosed by power of sale as provided in said Section.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, service, district or other instrumentality of any governmental entity.

“Hedge Agreement” means any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap transaction, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond option, note or bill option, interest rate option, forward foreign exchange transaction, cap transaction, spot or floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, swap option, currency option, credit swap or default transaction, T-lock, or any other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any agreement or contract that constitutes a **“swap”** within the meaning of Section 1a(47) of the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute, and CFTC Regulation 1.3(xxx), any form of master agreement published by the International Swaps and Derivatives Association, Inc., and any other master agreement, entered into by Grantor, together with any related schedules and confirmations, as the same may be amended, restated, replaced, supplemented, superseded or otherwise modified from time to time in accordance with its terms, relating to or governing any or all of the foregoing.

“Improvements” means all buildings, structures and replacements thereof and other improvements now or hereafter existing, erected or placed on the Land, including all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever forming part of said structures and/or buildings together with any on-site improvements and off-site improvements in any way used or to be used in connection with the use, enjoyment, occupancy or operation of the Land.

“Insurance Proceeds” means the insurance claims under and the proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to such Property, in each case whether now or hereafter existing or arising.

“Land” means the real property described in Exhibit A attached hereto and made a part hereof.

“Law(s)” means all federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

“Lease(s)” means all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to the Property or any part thereof, together with all options therefor, amendments thereto and renewals, modifications and guaranties thereof, including any cash or security deposited under the Leases to secure performance by the tenants of their obligations under the Leases, whether such cash or security is to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due thereunder.

“Letter of Credit” means any letter of credit issued by Beneficiary for the account of Grantor or its nominee in connection with the development of the Land or the construction of the Improvements, together with any and all extensions, renewals or modifications thereof, substitutions therefor or replacements thereof.

“Lien” means any mortgage, deed of trust, pledge, security interest, assignment, judgment, lien or charge of any kind, including any conditional sale or other title retention agreement, any lease in the

nature thereof, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

“Loan” means the loan from Beneficiary to Grantor, the repayment obligations in connection with which are evidenced by the Note.

“Loan Documents” means this Mortgage, the Note, any Hedge Agreement, any application or reimbursement agreement executed in connection with any Letter of Credit, and any and all other documents which Grantor or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

“Mortgage” means this Delivery Assurance Deed of Trust, Assignment, Security Agreement and Fixture Filing, as the same may from time to time be extended, renewed, amended, restated, supplemented or otherwise modified.

“Note” means the Delivery Assurance Note of even date herewith made by Grantor to the order of Lender, as the same may from time to time be extended, renewed, amended, restated, supplemented or otherwise modified.

“Notice” means a notice, request, consent, demand or other communication given in accordance with the provisions of this Mortgage.

“Obligations” means all present and future debts, advances, obligations and liabilities of Grantor to Beneficiary and/or Trustee arising pursuant to, and/or on account of, the provisions of this Mortgage, the Note or any of the other Loan Documents, including the obligations: (a) to pay all principal, interest, late charges, prepayment premiums (if any) and other amounts due at any time under the Note; (b) to pay all Expenses, indemnification payments, fees and other amounts due at any time under this Mortgage or any of the other Loan Documents, together with interest thereon as herein or therein provided; (c) to pay and perform all obligations of Grantor under any Hedge Agreement between Grantor and Beneficiary (or its affiliate); (d) to perform, observe and comply with all of the other terms, covenants and conditions, expressed or implied, which Grantor is required to perform, observe or comply with pursuant to this Mortgage or any of the other Loan Documents and (e) to pay and perform all future advances and other obligations that Grantor or any successor in ownership of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when a writing evidences the parties' agreement that the advance or obligation be secured by this Mortgage. Additionally, “Obligations” means such additional amounts as Lender may from time to time advance pursuant to the terms and conditions of this Mortgage and not met by Grantor, with respect to an obligation secured by a lien or encumbrance prior to the lien of this Mortgage or for the protection of the lien of this Mortgage, together with interest thereon.

“Permitted Encumbrances” means (a) any matters set forth in any policy of title insurance issued to Beneficiary and insuring Beneficiary's interest in the Property which are acceptable to Beneficiary as of the date hereof, (b) the Liens and interests of this Mortgage, and (c) any other Encumbrance that Beneficiary shall expressly approve in writing in its sole and absolute discretion.

“Person” means an individual, a corporation, a partnership, a joint venture, a limited liability company, a trust, an unincorporated association, any Governmental Authority or any other entity.

“Personalty” means all personal property of any kind or nature whatsoever, whether tangible or intangible and whether now owned or hereafter acquired, in which Grantor now has or hereafter acquires

an interest and which is used in the construction of, or is placed upon, or is derived from or used in connection with the maintenance, use, occupancy or enjoyment of, the Property, including (a) the Accessories; (b) the Accounts; (c) all franchise, license, management or other agreements with respect to the operation of the Real Property or the business conducted therein (provided all of such agreements shall be subordinate to this Mortgage, and Beneficiary shall have no responsibility for the performance of Grantor's obligations thereunder) and all general intangibles (including payment intangibles, trademarks, trade names, goodwill, software and symbols) related to the Real Property or the operation thereof; (d) all sewer and water taps, appurtenant water stock or water rights, allocations and agreements for utilities, bonds, letters of credit, letter-of-credit rights, permits, certificates, licenses, guaranties, warranties, causes of action, judgments, Claims, profits, security deposits, utility deposits, deposits or escrows for taxes, insurance or other matters, and all rebates or refunds of fees, Taxes, assessments, charges or deposits paid to any Governmental Authority related to the Real Property or the operation thereof; (e) all of Grantor's rights and interests under all Hedge Agreements, including all rights to the payment of money from Beneficiary (or its affiliate) under any Hedge Agreement and all accounts, deposit accounts and general intangibles, including payment intangibles, described in any Hedge Agreement; (f) all insurance policies held by Grantor with respect to the Property or Grantor's operation thereof; (g) all Grantor's rights in any Tax Credits; and (h) all money, instruments, chattel paper, or mortgages and documents (whether tangible or electronic) arising from or by virtue of any transactions related to the Property, and all deposits and deposit accounts of Grantor with Beneficiary related to the Property, including any such deposit account from which Grantor may from time to time authorize Beneficiary to debit and/or credit payments due with respect to the Loan; together with all Additions to and Proceeds of all of the foregoing.

"Proceeds" when used with respect to any of the Property, means all proceeds of such Property, including all Insurance Proceeds and all other proceeds within the meaning of that term as defined in the Uniform Commercial Code of the State.

"Property" means the Real Property and the Personalty and all other rights, interests and benefits of every kind and character which Grantor now has or hereafter acquires in, to or for the benefit of the Real Property and/or the Personalty and all other property and rights used or useful in connection therewith, including all Leases, all Rents, all Condemnation Awards, all Proceeds, and all of Grantor's right, title and interest in and to all Design and Construction Documents, all Contracts of Sale and all Refinancing Commitments.

"Property Assessments" means all Taxes, payments in lieu of taxes, water rents, sewer rents, assessments, condominium and owner's association assessments and charges, maintenance charges and other governmental or municipal or public or private dues, charges and levies and any Liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Property or any part thereof, or upon any Leases or any Rents, whether levied directly or indirectly or as excise taxes, as income taxes, or otherwise.

"Real Property" means the Land and Improvements, together with (a) all estates, title interests, title reversion rights, remainders, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, strips, gaps, gores, liberties, privileges, water rights, water courses, alleys, passages, ways, vaults, licenses, tenements, franchises, hereditaments, royalties, appurtenances, air space, easements, rights-of-way, rights of ingress or egress, parking rights, timber, crops, mineral interests and other rights, now or hereafter owned by Grantor and belonging or appertaining to the Land or Improvements; (b) all Claims whatsoever of Grantor with respect to the Land or Improvements, either in law or in equity, in possession or in expectancy; (c) all estate, right, title and interest of Grantor in and to all streets, roads and public places, opened or proposed, now or hereafter adjoining or appertaining to the Land or Improvements; and (d) all options to purchase the Land or Improvements, or any portion thereof or

interest therein, and any greater estate in the Land or Improvements, and all Additions to and Proceeds of the foregoing.

"Refinancing Commitment" means any commitment from or other agreement with any Person providing for the financing of the Property, some or all of the proceeds of which are intended to be used for the repayment of all or a portion of the Loan.

"Rents" means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property, or arising from the use or enjoyment of the Property, including all such amounts paid under or arising from any of the Leases and all fees, charges, accounts or other payments for the use or occupancy of rooms or other public facilities within the Real Property.

"State" means the state in which the Land is located.

"Tax Credits" means all federal or state low-income housing tax credits now or hereafter allocated to the Real Property or to the Grantor in respect of the Real Property.

"Taxes" means all taxes and assessments, whether general or special, ordinary or extraordinary, or foreseen or unforeseen, which at any time may be assessed, levied, confirmed or imposed by any Governmental Authority or any community facilities or other private district on Grantor or on any of its properties or assets or any part thereof or in respect of any of its franchises, businesses, income or profits.

"Transfer" means any direct or indirect sale, assignment, conveyance or transfer, including any Contract of Sale and any other contract or agreement to sell, assign, convey or transfer, in whole or in part, whether made voluntarily or by operation of Law or otherwise, and whether made with or without consideration.

"Trustee" means PRLAP, Inc., a Texas corporation, whose address is 2001 Clayton Road, 2nd Floor, Concord, CA 984520, Attention: Loan Administration Manager, or its successor in trust who may be acting under and pursuant to this Mortgage from time to time.

Article II Granting Clauses; Conditions of Grant.

Section 2.1 Conveyances and Security Interests.

In order to secure the prompt payment and performance of the Obligations, Grantor (a) hereby irrevocably and unconditionally (a) grants, bargains, sells and conveys the Real Property unto Trustee, with power of sale and right of entry and possession, all estate, right, title and interest that Grantor now has or may later acquire in and to the Real Property, to have and to hold the Real Property unto Trustee in fee simple forever; provided that Grantor may retain possession of the Real Property until the occurrence of an Event of Default; (b) grants to Beneficiary a security interest in the Personalty; (c) assigns to Beneficiary, and grants to Beneficiary a security interest in, all Condemnation Awards and all Insurance Proceeds; and (d) assigns to Beneficiary, and grants to Beneficiary a security interest in, all of Grantor's right, title and interest in, but not any of Grantor's obligations or liabilities under, all Design and Construction Documents, all Contracts of Sale and all Refinancing Commitments. All Persons who may have or acquire an interest in all or any part of the Property will be deemed to have notice of, and will be bound by, the terms of the Obligations and each other agreement or instrument made or entered into in connection with each of the Obligations. Such terms include any provisions in the Note, or any Hedge Agreement between Grantor and Beneficiary (or its affiliate) which provide that the interest rate on one or more of the Obligations may vary from time to time.

Section 2.2 Assignment of Leases and Rents.

As additional security for the making of the Loan by Beneficiary to Grantor, the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor assigns the Leases and Rents to Beneficiary. Upon the occurrence of a Default hereunder, Beneficiary shall have the right, power and privilege (but shall be under no duty) to demand possession of the Rents, which demand shall to the fullest extent permitted by applicable Law be sufficient action by Beneficiary to entitle Beneficiary to immediate and direct payment of the Rents (including delivery to Beneficiary of Rents collected for the period in which the demand occurs and for any subsequent period), for application as provided in this Mortgage. Provided no Event of Default has occurred, Grantor agrees to collect all Rents and to use the Rents for the payment of the cost of operating and maintaining the Property and for the payment of the other Obligations before using the Rents for any other purpose. The powers, rights and remedies granted in this paragraph shall be in addition to (i) the other remedies herein provided for upon the occurrence of an Event of Default and may be exercised independently of or concurrently with any of said remedies, and (ii) the powers, rights and remedies afforded an "Assignee" under and as defined in Chapter 64 of the Texas Property Code.

Section 2.3 Security Agreement, Fixture Filing and Financing Statement.

This Mortgage creates a security interest in the Personalty, and, to the extent the Personalty is not real property, this Mortgage constitutes a security agreement from Grantor to Beneficiary under the Uniform Commercial Code of the State. In addition to all of its other rights under this Mortgage and otherwise, Beneficiary shall have all of the rights of a secured party under the Uniform Commercial Code of the State, as in effect from time to time, or under the Uniform Commercial Code in force from time to time in any other state to the extent the same is applicable Law. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each county where any part of the Property (including such fixtures) is situated. This Mortgage shall also be effective as a financing statement with respect to any other Property as to which a security interest may be perfected by the filing of a financing statement and may be filed as such in any appropriate filing or recording office. The respective mailing addresses of Grantor and Beneficiary are set forth in the opening paragraph of this Mortgage. A carbon, photographic or other reproduction of this Mortgage or any other financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in this Section. Grantor hereby irrevocably authorizes Beneficiary at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable Law, reasonably required by Beneficiary to establish or maintain the validity, perfection and priority of the security interests granted in this Mortgage.

Section 2.4 Release of Mortgage and Termination of Assignments and Financing Statements.

If and when Grantor has paid and performed all of the Obligations, Beneficiary, without the joinder of Trustee, will provide a release of the Property from the lien of this Mortgage and termination statements for filed financing statements, if any, to Grantor. Grantor shall be responsible for the recordation of such release and the payment of any recording and filing costs. Upon the recording of such release and the filing of such termination statements, the assignments set forth in Section 2.2 shall automatically terminate and become null and void.

Article III
Representations and Warranties.

Grantor makes the following representations and warranties to Beneficiary:

Section 3.1 Title to Real Property.

Grantor (a) owns good and marketable fee simple title to the Real Property, (b) owns all of the beneficial and equitable interest in and to the Real Property, and (c) is lawfully seized and possessed of the Real Property. Grantor has the right and authority to convey the Real Property and does hereby convey the Real Property with general warranty. The Real Property is subject to no Encumbrances other than the Permitted Encumbrances.

Section 3.2 Title to Other Property.

Grantor has good title to the Personalty, and the Personalty is not subject to any Encumbrance other than the Permitted Encumbrances. None of the Leases, Rents, Design and Construction Documents, Contracts of Sale or Refinancing Commitments are subject to any Encumbrance other than the Permitted Encumbrances.

Section 3.3 Property Assessments.

The Real Property is assessed for purposes of Property Assessments as a separate and distinct parcel from any other property, such that the Real Property shall never become subject to the Lien of any Property Assessments levied or assessed against any property other than the Real Property.

Section 3.4 Independence of the Real Property.

No buildings or other improvements on property not covered by this Mortgage rely on the Real Property or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Real Property relies, or will rely, on any property not covered by this Mortgage or any interest therein to fulfill any requirement of any Governmental Authority. The Real Property has been properly subdivided from all other property in accordance with the requirements of any applicable Governmental Authorities.

Section 3.5 Existing Improvements.

The existing Improvements, if any, were constructed, and are being used and maintained, in accordance with all applicable Laws, including zoning Laws.

Section 3.6 Leases and Tenants.

The Leases are valid and are in full force and effect, and Grantor is not in default under any of the terms thereof. Grantor has not accepted any Rents in advance of the time the same became due under the Leases and has not forgiven, compromised or discounted any of the Rents. Grantor has title to and the right to assign the Leases and Rents to Beneficiary, and no other assignment of the Leases or Rents has been granted. To the best of Grantor's knowledge and belief, no tenant or tenants occupying, individually or in the aggregate, more than five percent (5%) of the net rentable area of the Improvements are in default under their Lease(s) or are the subject of any bankruptcy, insolvency or similar proceeding.

Article IV
Affirmative Covenants.

Section 4.1 Obligations.

Grantor agrees to promptly pay and perform all of the Obligations, time being of the essence in each case.

Section 4.2 Property Assessments: Documentary Taxes.

Grantor (a) will promptly pay in full and discharge all Property Assessments, and (b) will furnish to Beneficiary, upon demand, the receipted bills for such Property Assessments prior to the day upon which the same shall become delinquent. Property Assessments shall be considered delinquent as of the first day any interest or penalty commences to accrue thereon. Grantor will promptly pay all stamp, documentary, recordation, transfer and intangible taxes and all other taxes that may from time to time be required to be paid with respect to the Loan, the Note, this Mortgage or any of the other Loan Documents.

Section 4.3 Permitted Contests.

Grantor shall not be required to pay any of the Property Assessments, or to comply with any Law, so long as Grantor shall in good faith, and at its cost and expense, contest the amount or validity thereof, or take other appropriate action with respect thereto, in good faith and in an appropriate manner or by appropriate proceedings; provided that (a) such proceedings operate to prevent the collection of, or other realization upon, such Property Assessments or enforcement of the Law so contested, (b) there will be no sale, forfeiture or loss of the Property during the contest, (c) Beneficiary, Trustee or the Property is not subject to any Claim as a result of such contest, and (d) Grantor provides assurances satisfactory to Beneficiary (including the establishment of an appropriate reserve account with Beneficiary) of its ability to pay such Property Assessments or comply with such Law in the event Grantor is unsuccessful in its contest. Each such contest shall be promptly prosecuted to final conclusion or settlement, and Grantor shall indemnify and save Beneficiary and Trustee harmless against all Claims in connection therewith. **WITHOUT LIMITATION, THE FOREGOING INDEMNITIES SHALL APPLY TO EACH INDEMNIFIED PERSON WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE (WHETHER SOLE, COMPARATIVE OR CONTRIBUTORY) OR STRICT LIABILITY OF SUCH (AND/OR ANY OTHER) INDEMNIFIED PERSON. HOWEVER, SUCH INDEMNITIES SHALL NOT APPLY TO A PARTICULAR INDEMNIFIED PERSON TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THAT INDEMNIFIED PERSON.** Promptly after the settlement or conclusion of such contest or action, Grantor shall comply with such Law and/or pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable, together with all penalties, fines, interests, costs and expenses in connection therewith.

Section 4.4 Compliance with Laws.

Grantor will comply with and not violate, and cause to be complied with and not violated, all present and future Laws applicable to the Property and its use and operation.

Section 4.5 Maintenance and Repair of the Property.

Grantor, at Grantor's sole expense, will (a) keep and maintain Improvements and Accessories in good condition, working order and repair, (b) make all necessary or appropriate repairs and Additions to Improvements and Accessories, so that each part of the Improvements and all of the Accessories shall at all times be in good condition and fit and proper for the respective purposes for which they were originally intended, erected, or installed, and (c) commit or permit no waste.

Section 4.6 Additions to Security.

All right, title and interest of Grantor in and to all Improvements and Additions hereafter constructed or placed on the Property and in and to any Accessories hereafter acquired shall, without any further mortgage, conveyance, assignment or other act by Grantor, become subject to the Lien of this Mortgage as fully and completely, and with the same effect, as though now owned by Grantor and specifically described in the granting clauses hereof. Grantor agrees, however, to execute and deliver to Trustee and/or Beneficiary such further documents as may be required by the terms of the Loan Documents.

Section 4.7 Subrogation; Vendor's/Purchase Money Lien.

To the extent permitted by Law, Beneficiary shall be subrogated, notwithstanding its release of record, to any Lien now or hereafter existing on the Property to the extent that such Lien is paid or discharged by Beneficiary whether or not from the proceeds of the Loan. This Section shall not be deemed or construed, however, to obligate Beneficiary to pay or discharge any Lien. If all or any portion of the proceeds of the Loan evidenced by the Note or of any other secured indebtedness has been advanced for the purpose of paying the purchase price for all or a part of the Property, no vendor's or purchase money lien is waived; and Beneficiary shall have, and is hereby granted, a vendor's or purchase money lien on the Property as cumulative additional security for the secured indebtedness. Beneficiary may foreclose under this Mortgage or under the vendor's or purchase money lien without waiving the other or may foreclose under both.

Section 4.8 Leases.

(a) Grantor shall not enter into any Lease with respect to all or any portion of the Property without the prior written consent of Beneficiary.

(b) Neither Trustee nor Beneficiary shall be obligated to perform or discharge any obligation of Grantor under any Lease. The assignment of Leases provided for in this Mortgage in no manner places on Beneficiary or Trustee any responsibility for (i) the control, care, management or repair of the Property, (ii) the carrying out of any of the terms and conditions of the Leases, (iii) any waste committed on the Property, or (iv) any dangerous or defective condition on the Property (whether known or unknown).

(c) No approval of any Lease by Beneficiary shall be for any purpose other than to protect Beneficiary's security and to preserve Beneficiary's rights under the Loan Documents, and no such approval shall result in a waiver of a Default or Event of Default.

Article V
Negative Covenants.

Section 5.1 Encumbrances.

Grantor will not permit any of the Property to become subject to any Encumbrance other than the Permitted Encumbrances. Within thirty (30) days after the filing of any mechanic's lien or other Lien or Encumbrance against the Property, Grantor will promptly discharge the same by payment or filing a bond or otherwise as permitted by Law. So long as Beneficiary's security has been protected by the filing of a bond or otherwise in a manner satisfactory to Beneficiary in its sole and absolute discretion, Grantor shall have the right to contest in good faith any Claim, Lien or Encumbrance, provided that Grantor does so diligently and without prejudice to Beneficiary or delay in completing construction of the Improvements. Grantor shall give Beneficiary Notice of any default under any Lien and Notice of any foreclosure or threat of foreclosure with respect to any of the Property. Grantor agrees that it shall indemnify and hold Beneficiary harmless against any loss or liability, cost or expense, including any judgments, attorneys' fees and costs, costs of appeal bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging priority over the lien of this Mortgage.

Section 5.2 Transfer of the Property.

Grantor will not Transfer, or contract to Transfer, all or any part of the Property or any legal or beneficial interest therein (except for certain Transfers of the Accessories expressly permitted in this Deed of Trust). The Transfer of any of the general partnership interest in Grantor, if Grantor is a general partnership, or the Transfer of any limited partnership interest in Grantor (whether in one or more transactions during the term of the Loan) shall be deemed to be a prohibited Transfer of the Property, except as expressly permitted under the Loan Documents.

Section 5.3 Removal, Demolition or Alteration of Accessories and Improvements.

Except to the extent permitted by the following sentence, no Improvements or Accessories shall be removed, demolished or materially altered without the prior written consent of Beneficiary. Grantor may remove and dispose of, free from the Lien of this Mortgage, such Accessories as from time to time become worn out or obsolete, provided that, either (a) at the time of, or prior to, such removal, any such Accessories are replaced with other Accessories which are free from Liens other than Permitted Encumbrances and have a value at least equal to that of the replaced Accessories (and by such removal and replacement Grantor shall be deemed to have subjected such Accessories to the Lien of this Mortgage), or (b) so long as a prepayment may be made without the imposition of any premium pursuant to the Note, such Accessories are sold at fair market value for cash and the net cash proceeds received from such disposition are paid over promptly to Beneficiary to be applied to the prepayment of the principal of the Loan.

Section 5.4 Additional Improvements.

Grantor will complete and pay for, within a reasonable time, any Improvements which Grantor is permitted to construct on the Land. Grantor will construct and erect any permitted Improvements (a) strictly in accordance with all applicable Laws and any private restrictive covenants, (b) entirely on lots or parcels of the Land, (c) so as not to encroach upon any easement or right of way or upon the land of others, and (d) wholly within any building restriction and setback lines applicable to the Land.

Section 5.5 Restrictive Covenants, Zoning, etc.

Without the prior written consent of Beneficiary, Grantor will not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions limiting or defining the uses which may be made of the Property. Grantor (a) will promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Property, and (b) will do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

Article VI
Events of Default.

The occurrence or happening, from time to time, of any one or more of the following shall constitute an Event of Default under this Mortgage:

Section 6.1 Payment Obligations.

Grantor fails to pay any of the Obligations when due, whether on the scheduled due date or upon acceleration, maturity or otherwise.

Section 6.2 Transfers.

Grantor Transfers, or contracts to Transfer, all or any part of the Property or any legal or beneficial interest therein (except for Transfers of the Accessories expressly permitted under this Deed of Trust). The Transfer of any of the general partnership interest in Grantor, if Grantor is a general partnership, or the Transfer of any of the limited partnership interests in Grantor (whether in one or more transactions during the term of the Loan), other than as expressly permitted under the Loan Documents, shall be deemed to be a prohibited Transfer of the Property constituting an Event of Default.

Section 6.3 Other Obligations.

Grantor fails to promptly perform or comply with any of the Obligations set forth in this Mortgage (other than those expressly described in other Sections of this Article), and such failure continues uncured for a period of thirty (30) days after Notice from Beneficiary to Grantor, unless (a) such failure, by its nature, is not capable of being cured within such period, and (b) within such period, Grantor commences to cure such failure and thereafter diligently prosecutes the cure thereof, and (c) Grantor causes such failure to be cured no later than ninety (90) days after the date of such Notice from Beneficiary.

Section 6.4 Event of Default Under Other Loan Documents.

An Event of Default (as defined therein) occurs under the Note, or Grantor fails to promptly pay, perform, observe or comply with any obligation or agreement contained in any of the other Loan Documents (within any applicable grace or cure period).

Section 6.5 Change in Zoning or Public Restriction.

Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented that limits or defines the uses which may be made of the Property such that the

present or intended use of the Property, as specified in the Loan Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Section 6.6 Default Under Leases.

Grantor fails duly to perform its obligations under any Lease, and such failure is not cured within the grace period, if any, provided in the Lease.

Section 6.7 Default Under Other Lien Documents.

A default occurs under any other mortgage, deed of trust or security agreement covering the Property, including any Permitted Encumbrances.

Section 6.8 Execution; Attachment.

Any execution or attachment is levied against any of the Property, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

**Article VII
Rights and Remedies.**

Upon the happening of any Event of Default, Beneficiary, or Trustee at the direction of Beneficiary, shall have the right, in addition to any other rights or remedies available to Beneficiary under any of the Loan Documents or applicable Law, to exercise any one or more of the following rights, powers or remedies:

Section 7.1 Acceleration.

Beneficiary may accelerate any or all (as determined by Beneficiary in its sole discretion) of the Obligations, whereupon such Obligations shall become immediately due and payable, without notice of default, notice of acceleration or intention to accelerate, presentment or demand for payment, protest, notice of protest, notice of nonpayment or dishonor, or notices or demands of any kind or character (all of which are hereby waived by Grantor).

Section 7.2 Foreclosure.

Trustee is authorized and empowered and it shall be his special duty at the request of Beneficiary to sell the Property or any part thereof situated in the State of Texas, at the courthouse of any county (whether or not the counties in which the Property is located are contiguous, if the Property is located in more than one county) in the State of Texas in which any part of the Property is situated, at public venue to the highest bidder for cash between the hours of ten o'clock a.m. and four o'clock p.m. on the first Tuesday in any month or at such other place, time and date as provided by the statutes of the State of Texas then in force governing sales of real estate under powers of sale conferred by deed of trust, after having given notice of such sale in accordance with such statutes. Any sale made by Trustee hereunder may be as an entirety or in such parcels as Beneficiary may request. To the extent permitted by applicable Law, any sale may be adjourned by announcement at the time and place appointed for such sale without further notice except as may be required by Law. The sale by Trustee of less than the whole of the Property shall not exhaust the power of sale herein granted, and Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Property shall be sold; and, if the proceeds of such sale of less than the whole of the Property shall be less than the aggregate of the Obligations and the expense of executing this trust as provided herein, this Mortgage and the lien hereof

shall remain in full force and effect as to the unsold portion of the Property just as though no sale had been made; provided, however, that Grantor shall never have any right to require the sale of less than the whole of the Property but Beneficiary shall have the right, at its sole election, to request Trustee to sell less than the whole of the Property. Trustee may, after any request or direction by Beneficiary, sell not only the real property but also the Personalty and other interests which are a part of the Property, or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Property separately from the remainder of the Property. It shall not be necessary for Trustee to have taken possession of any part of the Property or to have present or to exhibit at any sale any of the Personalty. After each sale, Trustee shall make to the purchaser or purchasers at such sale good and sufficient conveyances in the name of Grantor, conveying the property so sold to the purchaser or purchasers with general warranty of title of Grantor, subject to the Permitted Encumbrances (and to such leases and other matters, if any, as Trustee may elect upon request of Beneficiary), and shall receive the proceeds of said sale or sales and apply the same as herein provided. Payment of the purchase price to the Trustee shall satisfy the obligation of purchaser at such sale therefor, and such purchaser shall not be responsible for the application thereof. The power of sale granted herein shall not be exhausted by any sale held hereunder by Trustee or his substitute or successor, and such power of sale may be exercised from time to time and as many times as Beneficiary may deem necessary until all of the Property has been duly sold and all Obligations has been fully paid. In the event any sale hereunder is not completed or is defective in the opinion of Holder, such sale shall not exhaust the power of sale hereunder and Beneficiary shall have the right to cause a subsequent sale or sales to be made hereunder. Any and all statements of fact or other recitals made in any deed or deeds or other conveyances given by Trustee or any successor or substitute appointed hereunder as to nonpayment of the Obligations or as to the occurrence of any default, or as to Beneficiary's having declared all of said indebtedness to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and the properties to be sold having been duly given, or as to the refusal, failure or inability to act of Trustee or any substitute or successor trustee, or as to the appointment of any substitute or successor trustee, or as to any other act or thing having been duly done by Holder or by such Trustee, substitute or successor, shall be taken as prima facie evidence of the truth of the facts so stated and recited. The Trustee or his successor or substitute may appoint or delegate any one or more Persons as agent to perform any act or acts necessary or incident to any sale held by Trustee, including the posting of notices and the conduct of sale, but in the name and on behalf of Trustee, his successor or substitute. If Trustee or his successor or substitute shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.

Section 7.3 Judicial Action.

Beneficiary shall have the right from time to time to sue Grantor for any sums (whether interest, damages for failure to pay principal or any installments thereof, taxes, or any other sums required to be paid under the terms of this Mortgage, as the same become due), without regard to whether or not any of the other Obligations shall be due, and without prejudice to the right of Beneficiary thereafter to enforce any appropriate remedy against Grantor, including an action of foreclosure or an action for specific performance, for a Default or Event of Default existing at the time such earlier action was commenced.

Section 7.4 Collection of Rents.

Beneficiary may, but shall not be obligated to perform any or all obligations of the landlord under any or all of the Leases, and Beneficiary may, but shall not be obligated to, exercise and enforce any or all of Grantor's rights under the Leases. Without limitation to the generality of the foregoing, Beneficiary may notify the tenants under the Leases that all Rents are to be paid to Beneficiary, and following such

notice all Rents shall be paid directly to Beneficiary and not to Grantor or any other Person other than as directed by Beneficiary, it being understood that a demand by Beneficiary on any tenant under the Leases for the payment of Rent shall be sufficient to warrant payment by such tenant of Rent to Beneficiary without the necessity of further consent by Grantor. Grantor hereby irrevocably authorizes and directs the tenants under the Leases to pay all Rents to Beneficiary instead of to Grantor, upon receipt of written notice from Beneficiary, without the necessity of any inquiry of Grantor and without the necessity of determining the existence or non-existence of an Event of Default. Grantor hereby appoints Beneficiary as Grantor's attorney-in-fact with full power of substitution, which appointment shall take effect upon the occurrence of an Event of Default and is coupled with an interest and is irrevocable prior to the full and final payment and performance of the Obligations, in Grantor's name or in Beneficiary's name: (a) to endorse all checks and other instruments received in payment of Rents and to deposit the same in any account selected by Beneficiary; (b) to give receipts and releases in relation thereto; (c) to institute, prosecute and/or settle actions for the recovery of Rents; (d) to modify the terms of any Leases including terms relating to the Rents payable thereunder; (e) to cancel any Leases; (f) to enter into new Leases; and (g) to do all other acts and things with respect to the Leases and Rents which Beneficiary may deem necessary or desirable to protect the security for the Obligations. Any Rents received shall be applied first to pay all Expenses and next in reduction of the other Obligations. Grantor shall pay, on demand, to Beneficiary, the amount of any deficiency between (i) the Rents received by Beneficiary, and (ii) all Expenses incurred together with interest thereon as provided in the Loan Documents.

Section 7.5 Taking Possession or Control of the Property.

As a matter of right without bond and without regard to the adequacy of the security, and to the extent permitted by Law without notice to Grantor, Beneficiary shall be entitled, upon application to a court of competent jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and the Rents, whether such receivership may be incidental to a proposed sale of the Property or otherwise, and Grantor hereby consents to the appointment of such a receiver and agrees that such receiver shall have all of the rights and powers granted to Beneficiary pursuant to Section 7.4. In addition, to the extent permitted by Law, and with or without the appointment of a receiver, or an application therefor, Beneficiary may (a) enter upon, and take possession of (and Grantor shall surrender actual possession of), the Property or any part thereof, without notice to Grantor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (b) remove and exclude Grantor and its agents and employees therefrom.

Section 7.6 Management of the Property.

Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 7.5, Beneficiary, Trustee or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and Additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, and (c) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of Grantor (the costs of completing such Improvements shall be Expenses secured by this Mortgage and shall accrue interest as provided in the Loan Documents). Beneficiary, Trustee or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

Section 7.7 Uniform Commercial Code.

Beneficiary may proceed under the Uniform Commercial Code as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. Upon the occurrence of any Event of Default, Grantor shall assemble all of the Accessories and make the same available within the Improvements. Any notification required by the Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the Notice provisions of this Mortgage at least five (5) days before any sale or other disposition of the Personalty. Disposition of the Personalty shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. It shall be deemed commercially reasonable for the Trustee and/or Beneficiary to dispose of the Personalty without giving any warranties as to the Personalty and specifically disclaiming all disposition warranties.

Section 7.8 Application of Proceeds.

Unless otherwise provided by applicable Law, all proceeds from the sale of the Property or any part thereof pursuant to the rights and remedies set forth in this Article and any other proceeds received by Beneficiary from the exercise of any of its other rights and remedies hereunder or under the other Loan Documents shall be applied first to pay all Expenses and next in reduction of the other Obligations, in such manner and order as Beneficiary may elect.

Section 7.9 Other Remedies.

Beneficiary shall have the right from time to time to protect, exercise and enforce any legal or equitable remedy against Grantor provided under the Loan Documents or by applicable Laws.

Article VIII
Trustee.

Section 8.1 Liability of Trustee.

Trustee shall have no liability or responsibility for, and make no warranties in connection with, the validity or enforceability of any of the Loan Documents or the description, value or status of title to the Property. Trustee shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by Trustee to be genuine and to have been signed by the party or parties purporting to sign the same. Trustee shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistakes of Law or fact, nor for anything which Trustee may do or refrain from doing in good faith, nor generally shall Trustee have any accountability hereunder. **WITHOUT LIMITATION, THE FOREGOING LIMITATIONS OF LIABILITY SHALL APPLY TO TRUSTEE WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE (WHETHER SOLE, COMPARATIVE OR CONTRIBUTORY) OR STRICT LIABILITY OF TRUSTEE. HOWEVER, SUCH INDEMNITIES SHALL NOT APPLY TO TRUSTEE TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TRUSTEE.** The powers and duties of Trustee hereunder may be exercised through such attorneys, agents or servants as Trustee may appoint, and Trustee shall have no liability or responsibility for any act, failure to act, negligence or willful conduct of such attorney, agent or servant, so long as the selection was made with reasonable care. In addition, Trustee may consult with legal counsel selected by Trustee, and Trustee shall have no liability or responsibility by reason of any act or failure to act in accordance with

the opinions of such counsel. Trustee may act hereunder and may sell or otherwise dispose of the Property or any part thereof as herein provided, although Trustee has been, may now be or may hereafter be, an attorney, officer, agent or employee of Beneficiary, in respect of any matter or business whatsoever. Trustee, however, shall have no obligation to sell all or any part of the Property following an Event of Default or to take any other action authorized to be taken by Trustee hereunder except upon the demand of Beneficiary.

Section 8.2 Indemnification of Trustee.

Grantor agrees to indemnify Trustee and to hold Trustee harmless from and against any and all Claims and Expenses directly or indirectly arising out of or resulting from any transaction, act, omission, event or circumstance in any way connected with the Property or the Loan, including but not limited to any Claim arising out of or resulting from any assertion or allegation that Trustee is liable for any act or omission of Grantor or any other Person in connection with the ownership, development, financing, operation or sale of the Property. **WITHOUT LIMITATION, THE FOREGOING INDEMNITIES SHALL APPLY TO TRUSTEE WITH RESPECT TO MATTERS WHICH IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF, OR ARE CLAIMED TO BE CAUSED BY OR ARISE OUT OF, THE NEGLIGENCE (WHETHER SOLE, COMPARATIVE OR CONTRIBUTORY) OR STRICT LIABILITY OF TRUSTEE. HOWEVER, SUCH INDEMNITIES SHALL NOT APPLY TO TRUSTEE TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TRUSTEE.** The agreements and indemnifications contained in this Section shall apply to Claims arising both before and after the repayment of the Loan and shall survive the repayment of the Loan, any foreclosure or deed in lieu thereof and any other action by Trustee to enforce the rights and remedies of Beneficiary or Trustee hereunder or under the other Loan Documents.

Section 8.3 Substitution of Trustee; Multiple Trustees.

The Trustee may resign by an instrument in writing addressed to Beneficiary. In case of the death, resignation, removal, or disqualification of Trustee, or if for any reason Beneficiary shall deem it desirable to appoint a substitute or successor trustee Beneficiary shall have, and is hereby granted with warranty of further assurances, the irrevocable power to appoint a new or replacement or substitute Trustee. Such power may be exercised at any time without notice, without cause and without specifying any reason therefor, without any other formality than appointment and designation in writing by Beneficiary. The power of appointment of a successor Trustee may be exercised as often as and whenever Beneficiary may choose, and the exercise of the power of appointment, no matter how often, shall not be an exhaustion thereof. The Trustee so appointed shall thereupon, without any further act or deed of conveyance, become fully vested with identically the same title and estate in and to the Property and with all the rights, powers, trusts and duties of its predecessor in the trust hereunder with like effect as if originally named as Trustee hereunder. Whenever in this Mortgage reference is made to Trustee, it shall be construed to mean each Person appointed as Trustee for the time being, whether original or successor in trust. All title, estate, rights, powers, trusts and duties granted to Trustee shall be in each Person appointed as Trustee so that any action hereunder by any Person appointed as Trustee shall for all purposes be deemed to be, and as effective as, the action of all Trustees.

Article IX
Miscellaneous.

Section 9.1 Rights, Powers and Remedies Cumulative.

This Mortgage is a deed of trust and mortgage, and each right, power and remedy of Beneficiary or Trustee as provided for in this Mortgage, or in any of the other Loan Documents or now or hereafter existing by Law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Mortgage, or in any of the other Loan Documents or now or hereafter existing by Law, and the exercise or beginning of the exercise by Beneficiary or Trustee of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by Beneficiary or Trustee of any or all such other rights, powers or remedies. In the event a foreclosure hereunder shall be commenced by Trustee, Beneficiary may at any time before the sale of the Property direct Trustee to abandon the sale, and may then institute suit for the collection of the Note and/or any other secured indebtedness, and for the foreclosure of this Mortgage. It is agreed that if Beneficiary should institute a suit for the collection of the Note or any other secured indebtedness and for the foreclosure of this Mortgage, Beneficiary may at any time before the entry of a final judgment in said suit dismiss the same, and require Trustee, to sell the Property in accordance with the provisions of this Mortgage.

Section 9.2 No Waiver by Beneficiary or Trustee.

No course of dealing or conduct by or among Beneficiary, Trustee and Grantor shall be effective to amend, modify or change any provisions of this Mortgage or the other Loan Documents. No failure or delay by Beneficiary or Trustee to insist upon the strict performance of any term, covenant or agreement of this Mortgage or of any of the other Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude Beneficiary or Trustee from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, neither Beneficiary nor Trustee shall be deemed to waive the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to make prompt payment of any such other Obligations. Neither Grantor nor any other Person now or hereafter obligated for the payment of the whole or any part of the Obligations shall be relieved of such liability by reason of (a) the failure of Beneficiary to comply with any request of Grantor or of any other Person to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and Beneficiary, or (c) Beneficiary's extending the time of payment or modifying the terms of this Mortgage or any of the other Loan Documents without first having obtained the consent of Grantor or such other Person. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Property, Beneficiary may release any Person at any time liable for any of the Obligations or any part of the security for the Obligations and may extend the time of payment or otherwise modify the terms of this Mortgage or any of the other Loan Documents without in any way impairing or affecting the Lien of this Mortgage or the priority of this Mortgage over any subordinate Lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Mortgage. Beneficiary may resort to the security or collateral described in this Mortgage or any of the other Loan Documents in such order and manner as Beneficiary may elect in its sole discretion.

Section 9.3 Waivers and Agreements Regarding Remedies.

To the full extent Grantor may do so, Grantor hereby voluntarily and knowingly:

(a) agrees that it will not at any time plead, claim or take advantage of any Laws now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisal, stay of execution, extension and notice of election to accelerate the Obligations;

(b) waives all rights to a marshaling of the assets of Grantor, including the Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Property, and agrees not to assert any right under any Law pertaining to the marshaling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Beneficiary under the terms of this Mortgage to a sale of the Property without any prior or different resort for collection, or the right of Beneficiary to the payment of the Obligations out of the proceeds of sale of the Property in preference to every other claimant whatsoever;

(c) waives any right to bring or utilize any defense, counterclaim or setoff, other than one which denies the existence or sufficiency of the facts upon which any foreclosure action is grounded. If any defense, counterclaim or setoff, other than one permitted by the preceding clause, is timely raised in a foreclosure action, such defense, counterclaim or setoff shall be dismissed. If such defense, counterclaim or setoff is based on a Claim which could be tried in an action for money damages, such Claim may be brought in a separate action which shall not thereafter be consolidated with the foreclosure action. The bringing of such separate action for money damages shall not be deemed to afford any grounds for staying the foreclosure action; and

(d) waives and relinquishes any and all rights and remedies which Grantor may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties. Grantor unconditionally and irrevocably waives any rights, defenses or remedies it may have under (1) Section 17.001 of the Texas Civil Practice and Remedies Code, Texas Rule of Civil Procedure 31, and Chapter 43 of the Texas Civil Practice and Remedies Code, entitled Principal and Surety, including notice, discharge, levy and subrogation, and (2) Sections 51.003 through 51.005 of the Texas Property Code, relating to deficiency judgments.

Section 9.4 Successors and Assigns.

All of the grants, covenants, terms, provisions and conditions of this Mortgage shall run with the Land and shall apply to and bind the successors and assigns of Grantor (including any permitted subsequent owner of the Property), and inure to the benefit of Beneficiary, its successors and assigns and to the successors in trust of Trustee.

Section 9.5 No Warranty by Beneficiary or Trustee.

By inspecting the Property or by accepting or approving anything required to be observed, performed or fulfilled by Grantor or to be given to Beneficiary or Trustee pursuant to this Mortgage or any of the other Loan Documents, Beneficiary and Trustee shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by Beneficiary or Trustee.

Section 9.6 Amendments.

This Mortgage may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 9.7 Severability.

In the event any one or more of the provisions of this Mortgage or any of the other Loan Documents shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any other respect, or in the event any one or more of the provisions of the Loan Documents operates or would prospectively operate to invalidate this Mortgage or any of the other Loan Documents, then and in either of those events, at the option of Beneficiary, such provision or provisions only shall be deemed null and void and shall not affect the validity of the remaining Obligations, and the remaining provisions of the Loan Documents shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.

Section 9.8 Notices.

All Notices required or which any party desires to give hereunder or under any other Loan Document shall be in writing and, unless otherwise specifically provided in such other Loan Document, shall be deemed sufficiently given or furnished if delivered by personal delivery, by nationally recognized overnight courier service or by certified United States mail, postage prepaid, addressed to the party to whom directed at the applicable address specified in the Preamble to this Mortgage (unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile. Any Notice shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided that service of a Notice required by any applicable statute shall be considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Mortgage or in any other Loan Document or to require giving of notice or demand to or upon any Person in any situation or for any reason.

Section 9.9 Joint and Several Liability.

If Grantor consists of two (2) or more Persons, the term "Grantor" shall also refer to all Persons signing this Mortgage as Grantor, and to each of them, and all of them are jointly and severally bound, obligated and liable hereunder. Beneficiary may release, compromise, modify or settle with any of Grantor, in whole or in part, without impairing, lessening or affecting the obligations and liabilities of the others of Grantor hereunder or under the Note. Any of the acts mentioned aforesaid may be done without the approval or consent of, or notice to, any of Grantor.

Section 9.10 Rules of Construction/Construction Mortgage.

The words "hereof," "herein," "hereunder," "hereto," and other words of similar import refer to this Mortgage in its entirety. The terms "agree" and "agreements" mean and include "covenant" and "covenants." The words "include" and "including" shall be interpreted as if followed by the words "without limitation." The headings of this Mortgage are for convenience of reference only and shall not be considered a part hereof and are not in any way intended to define, limit or enlarge the terms hereof. Any reference to a Property street address(es) is for administrative and reference purposes only. In the event of any conflict between a Property street address(es) listed herein and Exhibit A attached hereto, the legal description set forth on Exhibit A shall control. All references (a) made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) made in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to the Loan Documents are to the same as extended, amended, restated, supplemented or otherwise modified from time to time unless expressly indicated otherwise, (d) to the Land, Improvements, Personalty, Real

Property or Property shall mean all or any portion of each of the foregoing, respectively, and (e) to Articles or Sections are to the respective Articles or Sections contained in this Mortgage unless expressly indicated otherwise. Any term used or defined in the Uniform Commercial Code of the State, as in effect from time to time, which is not defined in this Mortgage shall have the meaning ascribed to that term in the Uniform Commercial Code of the State. If a term is defined in Article 9 of the Uniform Commercial Code of the State differently than in another Article of the Uniform Commercial Code of the State, the term shall have the meaning specified in Article 9.

This Mortgage constitutes a "construction mortgage" as defined in Section 9.334 of the Uniform Commercial Code of the State to the extent that it secures an obligation incurred for the construction of the Improvements, including the acquisition cost of the Land.

Section 9.11 Governing Law; Usury.

This Mortgage shall be construed, governed and enforced in accordance with the Laws in effect from time to time in the State. It is the intent of Grantor and Beneficiary and all other parties to the Loan Documents to conform to and contract in strict compliance with applicable usury Law from time to time in effect. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the interest taken, reserved, contracted for, charged, chargeable, or received under this Mortgage, or otherwise, exceed the maximum nonusurious amount permitted by applicable Law (the "Maximum Amount"). If, from any possible construction of any document, interest would otherwise be payable in excess of the Maximum Amount, any such construction shall be subject to the provisions of this Section and shall ipso facto be automatically reformed and the interest payable shall be automatically reduced to the Maximum Amount, without the necessity of execution of any amendment or new document. Beneficiary shall ever receive anything of value which is characterized as interest under applicable Law and which would apart from this provision be in excess of the Maximum Amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Obligations in the inverse order of its maturity and not to the payment of interest, or refunded to Grantor or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal. The right to accelerate maturity of the Note or any other Obligations does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to shall, to the extent permitted by applicable Law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Amount. As used in this Section, the term "applicable Law" shall mean the Laws of the State where the Property is located or where the Obligations are payable, or the federal Laws of the United States applicable to this transaction, whichever Laws allow the greatest interest, as such Laws now exist or may be changed or amended or come into effect in the future.

Section 9.12 Entire Agreement.

The Loan Documents constitute the entire understanding and agreement between Grantor and Beneficiary with respect to the transactions arising in connection with the Loan, and supersede all prior written or oral understandings and agreements between Grantor and Beneficiary with respect to the matters addressed in the Loan Documents. In particular, and without limitation, the terms of any commitment by Beneficiary to make the Loan are merged into the Loan Documents. Except as incorporated in writing into the Loan Documents, there are no representations, understandings,

stipulations, agreements or promises, oral or written, with respect to the matters addressed in the Loan Documents.

THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

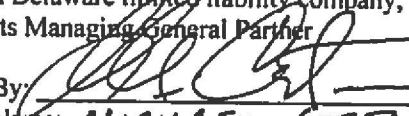
[The rest of this page is intentionally left blank.]

IN WITNESS WHEREOF, Grantor has caused this Mortgage to be executed as of the date first written above.

GRANTOR:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: 
Name: MICHAEL COSTA
Title: CEO

By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

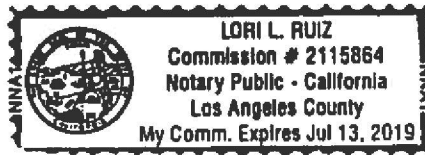
STATE OF CALIFORNIA)
)
COUNTY OF Los Angeles) ss.

On April 21, 2017, before me, Lori L. Ruiz, Notary Public, personally appeared Michael A. Costa, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/her/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lori L. Ruiz* (Seal)



IN WITNESS WHEREOF, Grantor has caused this Mortgage to be executed as of the date first written above.

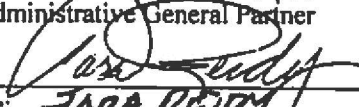
GRANTOR:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: _____
Name: _____
Title: _____

By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By: 
Name: SARA REILLY
Title: President

ACKNOWLEDGMENT

State of Florida §
County of COLLIER §

This instrument was acknowledged before me on APRIL 21, 2017, by
SARA REIDY as, PRESIDENT
of Borgfeld Housing GP, LLC, a Texas limited liability company, the Administrative General Partner of
Borgfeld Housing LP, a Texas limited partnership.



Printed Name: Cynthia C. Figueroa
Notary Public, State of Florida



Exhibit A

Legal Description

All that parcel or parcels of real property located in Guadalupe County, State of Texas, and more particularly described as follows:

All that parcel or parcels of real property located in Guadalupe County, State of Texas, and more particularly described as follows:

BEING A 10.308 ACRE TRACT SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 5.072 ACRE TRACT RECORDED IN DOCUMENT NO. 2016011122 AND A PART OF THAT CERTAIN 10.076 ACRE TRACT RECORDED IN VOLUME 4021, PAGE 451, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, SAID 10.308 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, AT A FOUND ½ INCH IRON ROD IN THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, BEING THE SOUTHWESTERLY CORNER OF A CALLED 0.190 ACRE RIGHT-OF-WAY DEDICATION RECORDED IN DOCUMENT NUMBER 2016024682, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, THE SOUTHEASTERLY CORNER OF FALCON RIDGE UNIT-2, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 439-440 OF THE PLAT RECORDS OF GUADALUPE COUNTY, TEXAS, SAME BEING THE SOUTHWESTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, N 28° 08' 53" W, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 10.076 ACRE TRACT AND SAID FALCON RIDGE UNIT-2, A DISTANCE OF 338.24 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE POINT OF BEGINNING, OF THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG THE EASTERLY LINE OF SAID FALCON RIDGE UNIT-2, AND A PORTION OF THE EASTERLY LINE OF FALCON RIDGE UNIT-1, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 408-409 OF SAID PLAT RECORDS, BEING THE WESTERLY LINE OF SAID 10.076 ACRE TRACT AND THE WESTERLY LINE OF SAID 5.072 ACRE TRACT, THE FOLLOWING COURSES:

N 28° 08' 53" W, A DISTANCE OF 14.03 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 28° 52' 52" W, A DISTANCE OF 853.68 FEET TO A FOUND ½ INCH IRON ROD MARKING AN INTERIOR CORNER OF SAID FALCON RIDGE UNIT-1, BEING THE NORTHWESTERLY CORNER OF SAID 5.072 ACRE TRACT AND HEREOF;

THENCE, N 62° 11' 41" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID FALCON RIDGE UNIT-1 AND SAID 5.072 ACRE TRACT, A DISTANCE OF 503.53 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE NORTHEASTERLY CORNER HEREOF;

THENCE, S 26° 10' 24" E, ACROSS A PORTION OF SAID 5.072 ACRE TRACT AT A DISTANCE OF 101.73 FEET TO A FOUND ½ INCH IRON ROD, MARKING THE NORTHWESTERLY CORNER OF THAT CERTAIN 13.359 ACRE TRACT CONVEYED TO ALICIA MARIE WILLOUGHBY ET AL MARY RITA KARDYS - LIFE ESTATE BY DEED OF RECORD IN DOCUMENT NO. 2016011122 OF SAID OFFICIAL PUBLIC RECORDS, AND CONTINUING ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, FOR A TOTAL DISTANCE OF 297.44 FEET TO A FOUND ½ INCH IRON ROD CAP "4069";

THENCE, S 50° 59' 25" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, A DISTANCE OF 41.50 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 5.072 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, S 23° 55' 06" E, ALONG A PORTION OF THE COMMON BOUNDARY OF SAID 13.359 ACRE TRACT AND SAID 10.076 ACRE TRACT, A DISTANCE OF 534.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE WESTERLY LINE OF SAID 13.359 ACRE TRACT, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

S 62° 17' 30" W, A DISTANCE OF 215.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 31° 19' 46" E, A DISTANCE OF 335.09 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 66.96 FEET, HAVING A RADIUS OF 279.50 FEET, A CENTRAL ANGLE OF 13°43'34", AND A CHORD BEARING AND DISTANCE OF S 24°27'59" E, 66.80 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 4.11 FEET, HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 9°02'56", AND A CHORD BEARING AND DISTANCE OF S 22°07'40" E, 4.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" IN THE NORTHERLY LINE OF THE AFOREMENTIONED 0.190 ACRE DEDICATION;

THENCE, S 80° 05' 00" W, ALONG THE NORTHERLY LINE OF SAID 0.190 ACRE DEDICATION, A DISTANCE OF 69.14 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE NORTHERLY LINE OF W. BORGFELD ROAD, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 11.89 FEET, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 34°02'58", AND A CHORD BEARING AND DISTANCE OF N 05°00'51" W, 11.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 34.78 FEET, HAVING A RADIUS OF 214.50 FEET, A CENTRAL ANGLE OF 09°17'26", AND A CHORD

BEARING AND DISTANCE OF N 26°41'03" W, 34.74 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 31° 19' 46" W, A DISTANCE OF 339.20 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 62° 17' 30" W, A DISTANCE OF 178.23 FEET TO THE POINT OF BEGINNING AND CONTAINING 10.308 ACRES (449,001 SQ. FT.) OF LAND, MORE OR LESS.

2017009349

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

04/27/2017 11:32:16 AM

PAGES: 30

**TERESA KIEL, COUNTY CLERK
GUADALUPE COUNTY, TEXAS**



Teresa Kiel

Fedex Chicago Title
→ 2828 South St
Ste 800
Dallas, TX 75201

12
ama**Special Warranty Deed**

Gr# 4713007118 AR

Notice of confidentiality rights: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

Date: To be effective as of April 26, 2017.

Grantor (Whether One or More): **Richard Kardys, Jessie M. Kardys, Christopher T. Kardys, Clark M. Kardys, Mary Rita Kardys, Gary Edward Birdwell and Diane Kardys Birdwell**

Grantor's Mailing Address: **Richard Kardys, 103 Cave Lane, San Antonio, Texas 78209**

Grantee: **Borgfeld Housing, LP, a Texas limited partnership**

Grantee's Mailing Address: **330 W. Victoria Street, Gardena, California 90248**

Consideration: For \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed..

Property (including any improvements): The tract of land described on See Exhibit "A" attached hereto and made a part hereof (the "**Land**"), together with all of Grantor's right, title, and interest, in any, in and to (i) adjacent streets, alleys, and rights-of-way, (ii) strips and gores, (iii) non-exclusive use of access, utility and other easements benefitting the Land, (iv) riparian and water rights, (v) air rights, and (vi) non-exclusive use of uses, servitudes, licenses, tenements, hereditaments, and appurtenances benefitting the Land.

Covenants: EXCEPT AS TO THE SPECIAL WARRANTY OF TITLE SET FORTH HEREIN AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THAT CONTRACT FOR SALE OF REAL PROPERTY DATED TO BE EFFECTIVE OCTOBER 2, 2015, EXECUTED BY GRANTEE AND HIGHRIDGE COSTA DEVELOPMENT COMPANY, LLC, AND SUBSEQUENTLY ASSIGNED TO GRANTOR (AS AMENDED FROM TIME TO TIME, THE "**CONTRACT**"), THAT PER THE TERMS OF THE CONTRACT SURVIVE THE CLOSING OF THE SALE OF THE PROPERTY FROM GRANTEE TO GRANTOR, THE PROPERTY IS CONVEYED AS IS, WHERE IS, AND WITH ALL FAULTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER. EXPRESS OR IMPLIED, STATUTORY, WRITTEN OR ORAL. IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY NEGATE AND EXCLUDE ALL OTHER REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO (I) THE CONDITION OF THE PROPERTY OR ANY ELEMENT THEREOF, INCLUDING, WITHOUT LIMITATION, WARRANTIES RELATED TO ENVIRONMENTAL CONDITIONS, SUITABILITY FOR HABITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; (II) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL, DESIGN AND ENGINEERING OF THE IMPROVEMENTS; (III) THE AVAILABILITY OF ANY UTILITIES TO THE PROPERTY OR ANY PORTION THEREOF INCLUDING, WITHOUT LIMITATION, WATER, SEWAGE, GAS AND ELECTRICITY; (IV) GEOLOGICAL CONDITIONS, THE SOIL CONDITIONS, DRAINAGE, FLOOD PLAIN

DESIGNATION, ACCESS OR OTHER CONDITIONS EXISTING AT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, DEVELOPMENTAL POTENTIAL OR OTHERWISE (V) QUANTITY, QUALITY, VALUE, CONDITION, MAKE, MODEL, COMPOSITION, AUTHENTICITY, OR AMOUNT; (VI) ALL WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF THE PROPERTY; AND (VII) ALL OTHER WARRANTIES AND REPRESENTATIONS WHATSOEVER, EXCEPT THE SPECIAL WARRANTY OF TITLE EXPRESSLY SET FORTH HEREIN AND THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THE CONTRACT THAT PER THE TERMS OF THE CONTRACT SURVIVE THE CLOSING OF THE SALE OF THE PROPERTY FROM GRANTEE TO GRANTOR.

GRANTEE HAS PERFORMED INDEPENDENT INSPECTION. GRANTEE ACKNOWLEDGES THAT GRANTEE IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION MADE BY GRANTOR, EXCEPT AS STATED HEREIN, WITH RESPECT TO THE PROPERTY CONDITION, BUT RATHER, IS RELYING UPON GRANTEE'S OWN EXAMINATION OF THE PROPERTY.

Exceptions to Conveyance and Warranty: The "Permitted Exceptions" listed on Exhibit "B" attached hereto and made a part hereof.

Grantor, for the Consideration and subject to the Covenants and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Land to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Covenants and the Exceptions to Conveyance and Warranty.

Taxes for 2017 have been prorated, which Grantee assumes and agrees to pay. All subsequent assessments for 2017 and prior years due to change in land usage, ownership or both, Grantee assumes and agrees to pay.

This Special Warranty Deed may be executed in multiple counterparts, each of which when so executed shall be deemed an original. For purposes of recording and assimilating the original instrument, signed Special Warranty Deeds may have signature pages removed and combined into the same instrument.

When the context requires, singular nouns and pronouns include the plural.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

Grantor(s)

Richard Kardys
Richard Kardys

Jessie M. Kardys
Jessie M. Kardys

Christopher T. Kardys
Christopher T. Kardys

Clark M. Kardys
Clark M. Kardys

Mary Rita Kardys
Mary Rita Kardys

Gary Edward Birdwell
Gary Edward Birdwell

Diane Kardys Birdwell
Diane Kardys Birdwell

Grantee

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: _____
Name: _____
Title: _____

Grantor(s)

Richard Kardys

Jessie M. Kardys

Christopher T. Kardys

Clark M. Kardys

Mary Rita Kardys

Gary Edward Birdwell

Diane Kardys Birdwell

Grantee

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: 

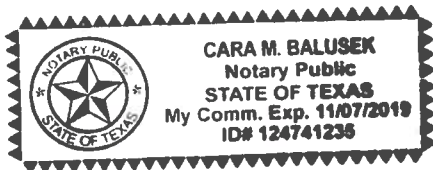
Name: MICHAEL COSTA

Title: CEO

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 18th day of April 2017, by Clark M. Kardys.

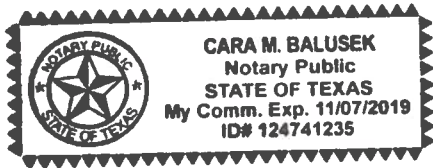


C. M. Balusek
NOTARY PUBLIC
11-7-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 18th day of April 2017, by Mary Rita Kardys.

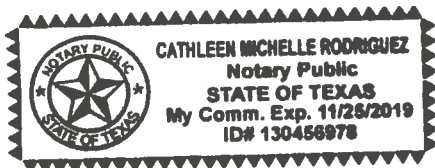


C. M. Balusek
NOTARY PUBLIC
11-7-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 17 day of April 2017, by Gary Edward Birdwell.

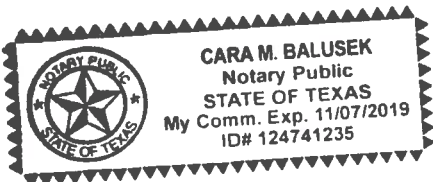


Cathleen Michelle Rodriguez
NOTARY PUBLIC
11-25-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 17th day of April 2017, by Richard Kardys.

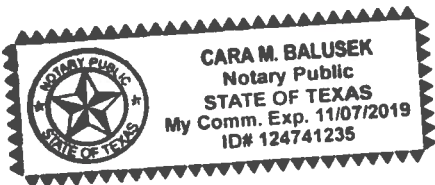


Cara M. Balusek
NOTARY PUBLIC
11-7-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 17th day of April 2017, by Jessie M. Kardys.

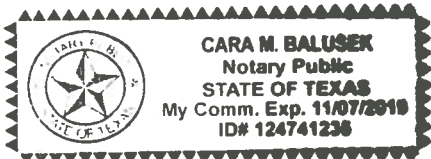


Cara M. Balusek
NOTARY PUBLIC
11-7-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 18th day of April 2017, by Christopher T. Kardys.

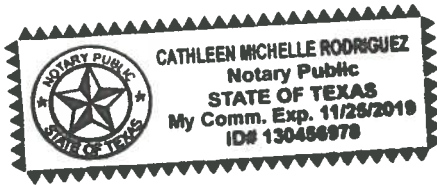


Cara M. Balusek
NOTARY PUBLIC
11-7-19
My Commission Expires

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF Bexar §

This instrument was acknowledged before me on the 17 day of April 2017, by Diane Kardys Birdwell.



Cathleen Michelle Rodriguez
NOTARY PUBLIC
11-25-19
My Commission Expires

ACKNOWLEDGEMENT

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF Los Angeles)

On April 21, 2017, before me, Lori L. Ruiz, Notary Public, personally appeared Michael A. Costa, who proved to me on the basis of satisfactory evidence to be the persons whose names is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lori L. Ruiz

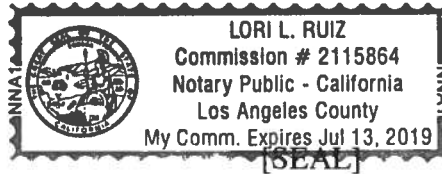


EXHIBIT "A"

LAND

BEING A 10.308 ACRE TRACT SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 5.072 ACRE TRACT RECORDED IN DOCUMENT NO. 2016011122 AND A PART OF THAT CERTAIN 10.076 ACRE TRACT RECORDED IN VOLUME 4021, PAGE 451, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, SAID 10.308 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, AT A FOUND ½ INCH IRON ROD IN THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, BEING THE SOUTHWESTERLY CORNER OF A CALLED 0.190 ACRE RIGHT-OF-WAY DEDICATION RECORDED IN DOCUMENT NUMBER 2016024682, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, THE SOUTHEASTERLY CORNER OF FALCON RIDGE UNIT-2, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 439-440 OF THE PLAT RECORDS OF GUADALUPE COUNTY, TEXAS, SAME BEING THE SOUTHWESTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, N 28° 08' 53" W, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 10.076 ACRE TRACT AND SAID FALCON RIDGE UNIT-2, A DISTANCE OF 338.24 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE **POINT OF BEGINNING**, OF THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG THE EASTERLY LINE OF SAID FALCON RIDGE UNIT-2, AND A PORTION OF THE EASTERLY LINE OF FALCON RIDGE UNIT-1, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 408-409 OF SAID PLAT RECORDS, BEING THE WESTERLY LINE OF SAID 10.076 ACRE TRACT AND THE WESTERLY LINE OF SAID 5.072 ACRE TRACT, THE FOLLOWING COURSES:

N 28° 08' 53" W, A DISTANCE OF 14.03 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 28° 52' 52" W, A DISTANCE OF 853.68 FEET TO A FOUND ½ INCH IRON ROD MARKING AN INTERIOR CORNER OF SAID FALCON RIDGE UNIT-1, BEING THE NORTHWESTERLY CORNER OF SAID 5.072 ACRE TRACT AND HEREOF;

THENCE, N 62° 11' 41" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID FALCON RIDGE UNIT-1 AND SAID 5.072 ACRE TRACT, A DISTANCE OF 503.53 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE NORTHEASTERLY CORNER HEREOF;

THENCE, S 26° 10' 24" E, ACROSS A PORTION OF SAID 5.072 ACRE TRACT AT A DISTANCE OF 101.73 FEET TO A FOUND ½ INCH IRON ROD, MARKING THE

NORTHWESTERLY CORNER OF THAT CERTAIN 13.359 ACRE TRACT CONVEYED TO ALICIA MARIE WILLOUGHBY ET AL MARY RITA KARDYS – LIFE ESTATE BY DEED OF RECORD IN DOCUMENT NO. 2016011122 OF SAID OFFICIAL PUBLIC RECORDS, AND CONTINUING ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, FOR A TOTAL DISTANCE OF 297.44 FEET TO A FOUND ½ INCH IRON ROD CAP “4069”;

THENCE, S 50° 59’ 25” E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, A DISTANCE OF 41.50 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 5.072 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, S 23° 55’ 06” E, ALONG A PORTION OF THE COMMON BOUNDARY OF SAID 13.359 ACRE TRACT AND SAID 10.076 ACRE TRACT, A DISTANCE OF 534.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING”;

THENCE, LEAVING THE WESTERLY LINE OF SAID 13.359 ACRE TRACT, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

S 62° 17’ 30” W, A DISTANCE OF 215.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING”;

S 31° 19’ 46” E, A DISTANCE OF 335.09 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING”;

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 66.96 FEET, HAVING A RADIUS OF 279.50 FEET, A CENTRAL ANGLE OF 13°43’34”, AND A CHORD BEARING AND DISTANCE OF S 24°27’59” E, 66.80 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING”;

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 4.11 FEET, HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 9°02’56”, AND A CHORD BEARING AND DISTANCE OF S 22°07’40” E, 4.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING” IN THE NORTHERLY LINE OF THE AFOREMENTIONED 0.190 ACRE DEDICATION;

THENCE, S 80° 05’ 00” W, ALONG THE NORTHERLY LINE OF SAID 0.190 ACRE DEDICATION, A DISTANCE OF 69.14 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED “SHERWOOD SURVEYING”;

THENCE, LEAVING THE NORTHERLY LINE OF W. BORGFELD ROAD, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 11.89 FEET, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 34°02'58", AND A CHORD BEARING AND DISTANCE OF N 05°00'51" W, 11.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 34.78 FEET, HAVING A RADIUS OF 214.50 FEET, A CENTRAL ANGLE OF 09°17'26", AND A CHORD BEARING AND DISTANCE OF N 26°41'03" W, 34.74 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 31° 19' 46" W, A DISTANCE OF 339.20 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 62° 17' 30" W, A DISTANCE OF 178.23 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 10.308 ACRES (449,001 SQ. FT.) OF LAND, MORE OR LESS.

EXHIBIT "B"

PERMITTED EXCEPTIONS

1. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
2. Right of tenants in possession, as tenants only, under unrecorded lease agreements.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the Property.
4. Right of way for a water pipe line across and over subject Property reserved in Volume 294, Page 359, Deed Records, Guadalupe County, Texas.
5. Right-of-Way Easements granted to Guadalupe Valley Electric Cooperative, Inc. recorded in Volume 1039, Page 874, and in Volume 1255, Page 242, Official Records, Guadalupe County, Texas.
6. Rules, regulations and fees of Cibolo Creek Municipal Authority, provided by instruments recorded in Volume 900, Page 251 and Volume 2504, Page 841, Official Records of Guadalupe County, Texas.
7. A 1/16 non-participating royalty Interest in and to all oil, gas, and other minerals, and all rights incident thereto, contained in instrument dated February 26, 1946, recorded April 22, 1946 in Volume 214, Page 520, of the Deed of Records of Guadalupe County, Texas.

Fedex
→ Chicago Title
2828 Routh St Ste 800
Dallas, TX 75201

2017009347
FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
04/27/2017 11:32:14 AM
PAGES: 12
TERESA KIEL, COUNTY CLERK
GUADALUPE COUNTY, TEXAS



4041 MacArthur Blvd., Suite 400, Newport Beach, CA 92660

Phone: (949) 724-3100 Fax: (949) 258-5103

Buyers/Borrowers Settlement Statement

Final

Escrow No: 00032214 - 002 KP

Close Date: 04/26/2017

Proration Date: 04/26/2017

Disbursement Date:

Buyer(s)/Borrower(s): Borgfeld Housing, LP

Lender: Bank of America

Loan #:

Property: Property off Borgfeld Road-appx 10.31 acres
Cibolo, TX 78108

Description	Debit	Credit
TOTAL CONSIDERATION:		
Total Consideration	2,197,602.00	
Earnest Money Deposit		20,000.00
Independent Consideration		25,000.00
Second Option Fee		25,000.00
Extension Deposit		20,000.00
Additional Extension Deposit		6,000.00
NEW AND EXISTING ENCUMBRANCES:		
New Loan from Bank of America		17,947,298.00
NEW LOAN CHARGES: - Bank of America		
Holdback for Future Disbursements (EST)	15,136,526.24	
Deposit		30,000.00
Limited Partner Capital Contribution		896,438.00
Limited Partner Expense Reimbursement Contribution		70,750.00
Construction Loan Origination Fee	179,472.98	
Permanent Loan Origination Fee	49,500.00	
Appraisal Fee	6,875.00	
Environmental Due Diligence	570.00	
Lender Legal Fees to Buchalter	40,000.00	
Cost Review to CA Partners, Inc.	3,250.00	
ESCROW AND TITLE CHARGES:		
Escrow Fee (1/2) to Chicago Title Company	1,587.50	
Escrow Fee - Increased liability to Chicago Title Company	2,750.00	
Loan Tie In Fee to Chicago Title Company	280.00	
Delivery/Cartage to Chicago Title Company	51.96	
Owner's Policy Premium - Increased Liability to \$21,326,916.00 to Chicago Title Insurance Company	67,272.00	
Loan Policy Premium to Chicago Title Insurance Company	100.00	
Survey Coverage (Owners) to Chicago Title Insurance Company	11,789.10	
T19.1 Endorsement (Owners) to Chicago Title Insurance Company	7,859.10	
T-19.2 Endorsement (Owners) to Chicago Title Insurance Company	50.00	
T-24 Endorsement (Owners) to Chicago Title Insurance Company	3,929.70	
Tax Amend Endorsement (Loan) to Chicago title Insurance Company	25.00	
T-19 Endorsement (Loan) to Chicago Title Insurance Company	6,957.00	
T-33 Endorsement (Loan) to Chicago Title Insurance Company	20.00	
T-3 Date Down Endorsement (Loan) (12) to Chicago Title Insurance Company	600.00	
Tax Certificate Fee to Chicago Title Insurance Company	38.75	
Policy Guarantee Fees (2) to Chicago Title Insurance Company	6.00	
RECORDING FEES:		
Recording Fees to Chicago Title Insurance Company	350.00	
Post Close Recording Fees	128.00	
ADDITIONAL CHARGES:		
Developer Fee to Casa Linda Affordable Housing	290,000.00	
Legal Fees to Chernove & Associates, Inc.	20,000.00	
Legal Fees to Locke Lorde LLP	43,000.00	
UCC Filing Fees to Paracorp Inc. DBA Parasec	390.00	
Equity Legal Fees to Buchalter	63,000.00	
Equity Accounting Fees to Cohn Resnick	7,750.00	
Reimbursement Draw 0 to Borrower to Borgfeld Housing, LP	662,762.37	
Net Draw 1 to Borrower to Borgfeld Housing LP	185,904.69	
PRORATIONS AND ADJUSTMENTS:		
2017 Real Property Taxes Geo ID 62134 from 1/1/2017 to 4/26/2017 based on the Annual amount of \$6,674.18		2,132.03
2017 Real Property Taxes Geo ID 66934 from 1/1/2017 to 4/26/2017 based on the Annual amount of \$20.32		6.49
2017 Real Property Taxes Geo ID 66935 from 1/1/2017 to 4/26/2017 based on the Annual amount of \$948.25		302.91
Independent Consideration	25,000.00	
Extension Fee to 4/20/17	20,000.00	
Extension Fees from 4/21/2017 to 4/26/2017	6,000.00	

CHICAGO TITLE COMPANY

4041 MacArthur Blvd., Suite 400, Newport Beach, CA 92660

Phone: (949) 724-3100 Fax: (949) 258-5103

Buyers/Borrowers Settlement Statement

Final

Escrow No: 00032214 - 002 KP

Close Date: 04/26/2017

Proration Date: 04/26/2017

Disbursement Date:

Description	Debit	Credit
Sub Totals	19,041,397.39	19,042,927.43
Refund Due Buyer/Borrower	1,530.04	
Totals	19,042,927.43	19,042,927.43

OWNER'S POLICY OF TITLE INSURANCE (T-1)

Issued by Chicago Title Insurance Company



POLICY NO. 44-903-100-4713007118

CHICAGO TITLE INSURANCE COMPANY

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, CHICAGO TITLE INSURANCE COMPANY, a Florida corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

- 1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
(a) A defect in the Title caused by:
(i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
(ii) failure of any person or Entity to have authorized a transfer or conveyance;
(iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
(iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
(v) a document executed under a falsified, expired or otherwise invalid power of attorney;
(vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
(vii) a defective judicial or administrative proceeding.
(b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
(c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
(d) Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation...
6. An enforcement action based on the exercise of a governmental police power...
7. The exercise of the rights of eminent domain...
8. Any taking by a governmental body...
9. Title being vested other than as stated in Schedule A or being defective...
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9...

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

Chicago Title Insurance Company

CHICAGO TITLE INSURANCE COMPANY

Authorized Countersignature Chicago Title Insurance Company 2828 Routh Street, Suite 800 Dallas, TX 75201



By: [Signature] President

Attest: [Signature] Secretary

See endorsement T-3 below that updates schedule B. I took this as an update of the effective date of this policy to 10/5/18. - mps

OWNER'S POLICY OF TITLE INSURANCE

SCHEDULE A

Name and Address of Title Insurance Company: Chicago Title Insurance Company
Attention: Claims
PO Box 45023
Jacksonville, FL 32232-5023

G.F. No. 4713007118

Policy No. 44-903-100-4713007118

Issued with Policy No. 44-903-101-4713007118

Amount of Insurance: \$21,326,916.00

Premium: \$102,222.20

Date of Policy: April 27, 2017 at 11:32 am

1. Name of Insured: Borgfeld Housing, LP, a Texas limited partnership

2. The estate or interest in the land that is insured by this policy is:

FEE SIMPLE ESTATE, subject to, and the Company does not insure title to, and excepts from the description of the land, coal, lignite, oil, gas and other minerals in, under and that may be produced from the land, together with all rights, privileges, and immunities relating thereto.

3. Title is insured as vested in:

Borgfeld Housing, LP, a Texas limited partnership

4. The land referred to in this policy is described as follows:

BEING A 10.308 ACRE TRACT SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 5.072 ACRE TRACT RECORDED IN DOCUMENT NO. 2016011122 AND A PART OF THAT CERTAIN 10.076 ACRE TRACT RECORDED IN VOLUME 4021, PAGE 451, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, SAID 10.308 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, AT A FOUND 1/2 INCH IRON ROD IN THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, BEING THE SOUTHWESTERLY CORNER OF A CALLED 0.190 ACRE RIGHT-OF-WAY DEDICATION RECORDED IN DOCUMENT NUMBER 2016024682, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, THE SOUTHEASTERLY CORNER OF FALCON RIDGE UNIT-2, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 439-440 OF THE PLAT RECORDS OF GUADALUPE COUNTY, TEXAS, SAME BEING THE SOUTHWESTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, N 28° 08' 53" W, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFELD ROAD, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 10.076 ACRE TRACT AND SAID FALCON RIDGE UNIT-2, A DISTANCE OF 338.24 FEET TO A SET 1/2 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE POINT OF BEGINNING, OF THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG THE EASTERLY LINE OF SAID FALCON RIDGE UNIT-2, AND A PORTION OF THE EASTERLY LINE OF FALCON RIDGE UNIT-1, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 408-409 OF SAID PLAT RECORDS, BEING THE WESTERLY LINE OF SAID 10.076 ACRE TRACT AND THE WESTERLY LINE OF SAID 5.072 ACRE TRACT, THE FOLLOWING COURSES:

N 28° 08' 53" W, A DISTANCE OF 14.03 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 28° 52' 52" W, A DISTANCE OF 853.68 FEET TO A FOUND ½ INCH IRON ROD MARKING AN INTERIOR CORNER OF SAID FALCON RIDGE UNIT-1, BEING THE NORTHWESTERLY CORNER OF SAID 5.072 ACRE TRACT AND HEREOF;

THENCE, N 62° 11' 41" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID FALCON RIDGE UNIT-1 AND SAID 5.072 ACRE TRACT, A DISTANCE OF 503.53 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE NORTHEASTERLY CORNER HEREOF;

THENCE, S 26° 10' 24" E, ACROSS A PORTION OF SAID 5.072 ACRE TRACT AT A DISTANCE OF 101.73 FEET TO A FOUND ½ INCH IRON ROD, MARKING THE NORTHWESTERLY CORNER OF THAT CERTAIN 13.359 ACRE TRACT CONVEYED TO ALICIA MARIE WILLOUGHBY ET AL MARY RITA KARDYS - LIFE ESTATE BY DEED OF RECORD IN DOCUMENT NO. 2016011122 OF SAID OFFICIAL PUBLIC RECORDS, AND CONTINUING ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, FOR A TOTAL DISTANCE OF 297.44 FEET TO A FOUND ½ INCH IRON ROD CAP "4069";

THENCE, S 50° 59' 25" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, A DISTANCE OF 41.50 FEET TO A FOUND ½ INCH IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 5.072 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, S 23° 55' 06" E, ALONG A PORTION OF THE COMMON BOUNDARY OF SAID 13.359 ACRE TRACT AND SAID 10.076 ACRE TRACT, A DISTANCE OF 534.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE WESTERLY LINE OF SAID 13.359 ACRE TRACT, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

S 62° 17' 30" W, A DISTANCE OF 215.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 31° 19' 46" E, A DISTANCE OF 335.09 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 66.96 FEET, HAVING A RADIUS OF 279.50 FEET, A CENTRAL ANGLE OF 13°43'34", AND A CHORD BEARING AND DISTANCE OF S 24°27'59" E, 66.80 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 4.11 FEET, HAVING A RADIUS OF 26.00 FEET, A CENTRAL ANGLE OF 9°02'56", AND A CHORD BEARING AND DISTANCE OF S 22°07'40" E, 4.10 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" IN THE NORTHERLY LINE OF THE AFOREMENTIONED 0.190 ACRE DEDICATION;

THENCE, S 80° 05' 00" W, ALONG THE NORTHERLY LINE OF SAID 0.190 ACRE DEDICATION, A DISTANCE OF 69.14 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE NORTHERLY LINE OF W. BORGFELD ROAD, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 11.89 FEET, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 34°02'58", AND A CHORD BEARING AND DISTANCE OF N 05°00'51" W, 11.71 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 34.78 FEET, HAVING A RADIUS OF 214.50 FEET, A CENTRAL ANGLE OF 09°17'26", AND A CHORD BEARING AND DISTANCE OF N 26°41'03" W, 34.74 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 31° 19' 46" W, A DISTANCE OF 339.20 FEET TO A SET ½ INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 62° 17' 30" W, A DISTANCE OF 178.23 FEET TO THE POINT OF BEGINNING AND CONTAINING 10.308 ACRES (449,001 SQ. FT.) OF LAND, MORE OR LESS.

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

FOR INFORMATION ONLY: CAD ACCOUNT NOS. 2G0096000000120000,
2G0216000000600000 AND 2G0216000000610000

SCHEDULE B**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements if any, shown in Schedule A, and the following matters:

1. Item 1, Schedule B is hereby deleted in its entirety.
2. Shortages in area.
3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.
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 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 low mean low tide to the line of vegetation, or the right of access to that area or easement along and across that area.
5. Standby fees, taxes and assessments by any taxing authority for the year 2017, 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.
6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception.):
 - a. **A Deed of Trust, Assignment, Security Agreement and Fixture Filing to secure an indebtedness in the amount shown below,**

Amount: \$17,947,298.00
Dated: April 26, 2017
Trustor/Grantor: Borgfeld Housing, LP, a Texas limited partnership
Trustee: PRLAP, INC., a Texas corporation
Beneficiary: Bank of America, N.A., a national banking association
Recording Date: April 27, 2017
Recording No: under Document No. 2017009348 , Official Public Records, Guadalupe County, Texas.
 - b. **Right of way for a water pipe line across and over subject property reserved in Volume 294, Page 359, Deed Records, Guadalupe County, Texas.**

- c. **Right-of-Way Easements granted to Guadalupe Valley Electric Cooperative, Inc. recorded in Volume 1039, Page 874, and in Volume 1255, Page 242, Official Records, Guadalupe County, Texas.**
- d. **Rules, regulations and fees of Cibolo Creek Municipal Authority, provided by instruments recorded in Volume 900, Page 251 and Volume 2504, Page 841, Official Records of Guadalupe County, Texas.**
- e. **A 1/16 non-participating royalty Interest in and to all oil, gas and other minerals, and all rights incident thereto, contained in instrument dated February 26, 1946, recorded April 22, 1946 in Volume 214, Page 520, of the Deed Records of Guadalupe County, Texas. Reference to which instrument is here made for particulars. No further search of title has been made as to the interest(s) evidenced by this instrument, and the Company makes no representation as to the ownership or holder of such interest(s).**
- f. **Wells shown on survey prepared by Richard A. Goodwin, RPLS# 4069, of Sherwood Surveying & S.U.E., dated April 10, 2017 (the "Survey").**
- g. **Overhead electric line and poles without the benefit of an easement shown on the Survey.**
- h. **Encroachment/Protrusion of Frame House and Wood Building shown on the Survey.**
- i. **Encroachment/Protrusion of fences shown on the Survey.**
- j. **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, the 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 Guadalupe County, Texas, prior to the date hereof.**

Liability hereunder at the date hereof is limited to \$2,197,602.00. Liability shall increase as contemplated improvements are made, so that any loss payable hereunder shall be limited to said sum plus the amount actually expended by the insured in improvements at the time the loss occurs. Any expenditures made for improvements, subsequent to the date of this policy, will be deemed made as of the date of this policy. In no event shall the liability of the Company hereunder exceed the face amount of this policy. Nothing contained in this paragraph shall be construed as limiting any exception or any printed provision of this policy.

- k. **Section 14 of the Conditions and Stipulations of this Policy is hereby deleted.**
- l. **Delivery Assurance Deed of Trust, Assignment, Security Agreement and Fixture Filing, executed by Borgfeld Housing, LP, a Texas limited partnership, to PRLAP, Inc., a Texas corporation, Trustee, dated April 26, 2017, filed April 27, 2017, recorded in/under Clerk's File No. 2017009349 of the Real Property Records of GUADALUPE County, Texas, securing Bank of America, N.A., a national banking association in the performance of the obligations contained therein; and all the terms, conditions and stipulations contained therein, if any, secured by said instrument.**

ENDORSEMENT T-3

Attached to and made a part of **CHICAGO TITLE INSURANCE COMPANY** Or Interim Construction Binder Number **44-903-100-4713007118** this Date: January 18, 2019.

(a) Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy.
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company does, however, insure against loss, if any, sustained by the Insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said Policy or in any prior Endorsement to said Policy,

4. The following additions to Schedule B of said policy:

"New Subdivision Plat Filing filed for record on May 4, 2017 and recorded in Volume 8, Page 672, Plat Records, Guadalupe County, Texas."

"Easement, Maintenance, and Shared Costs Agreement filed for record on May 15, 2017 and recorded under Document No. 2017010726, Official Public Records, Guadalupe County, Texas."

"Consent and Non-Disturbance of Bank of America, N.A. filed for record on May 15, 2017 and recorded under Document No. 2017010727, Official Public Records, Guadalupe County, Texas."

"First Amendment to Easement, Maintenance, and Shared Costs Agreement filed for record on October 4, 2018 and recorded under Document No. 201899022813, Official Public Records, Guadalupe County, Texas."

(b) The coverage under said policy as of the date hereof is **\$13,988,642.84**. *AK*

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

Chicago Title Insurance Company

By *Anya King*
Authorized Countersignature

This endorsement is taken as an update of the effective date to 10/5/18 - bps

Order No. 4713007118

ENDORSEMENT T-3

Attached to and made a part of **CHICAGO TITLE INSURANCE COMPANY** Policy or Interim Construction Binder Number **44-903-101-4713007118** this date: **October 5, 2018**

(a) Said Policy is hereby amended so that its coverage shall relate to the date of this Endorsement instead of the date of the policy, subject to:

1. The exceptions shown in Schedule B of said policy and in any prior Endorsement to said policy,
2. Matters which would be shown by a correct survey and inspection of the premises subsequent to the date of said policy,
3. Any and all liens arising by reason of unpaid bills or claims for work performed or material furnished in connection with the improvements being placed upon the subject land. The Company, does, however, insure against loss, if any, sustained by the insured under the terms of the policy, if any such liens have been filed with the County Clerk of the County in which such property is located prior to the date of this Endorsement, except those liens set forth in Schedule B of said policy or in any prior endorsement to said policy."
4. Paragraph 4 of this endorsement is intentionally deleted.
5. Paragraph 5 of this endorsement is intentionally deleted.

(b) The coverage under said policy as of the date hereof is \$10,502,284.43. *DAV*

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

Chicago Title Insurance Company

By

[Handwritten Signature]
Authorized Countersignature

**RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT-
OWNERS POLICY (Form T-19.1)**



CHICAGO TITLE INSURANCE COMPANY

Attached to Policy No. **44-903-100-4713007118** issued by **CHICAGO TITLE INSURANCE COMPANY**

1. The insurance provided by this endorsement is subject to the exclusions in Section 5 of this endorsement; and the Exclusions from Coverage, the Exceptions from Coverage contained in Schedule B, and the Conditions in the policy.
2. For the purposes of this endorsement only:
 - a "Covenant" means a covenant, condition, limitation or restriction in a document or instrument in effect at Date of Policy.
 - b "Improvement" means a building, structure, road, walkway, driveway, or curb, affixed to either the Land or adjoining land and that by law constitutes real property, but excluding any crops, landscaping, lawn, shrubbery, or trees.
 - c "Private Right" means (i) an option to purchase; (ii) a right of first refusal; or (iii) a right of prior approval of a future purchaser or occupant.
3. The Company insures against loss or damage sustained by the Insured by reason of:
 - a A violation on the Land at Date of Policy of an enforceable Covenant, unless an exception in Schedule B of the policy identifies the violation;
 - b Enforced removal of an Improvement located on the Land at Date of Policy as a result of a violation, at Date of Policy, of a building setback line shown on a plat of subdivision recorded or filed in the Public Records, unless an exception in Schedule B of the policy identifies the violation;
 - c A notice of a violation, recorded in the Public Records at Date of Policy, of an enforceable Covenant relating to environmental protection describing any part of the Land and referring to that Covenant, but only to the extent of the violation of the Covenant referred to in that notice, unless an exception in Schedule B of the policy identifies the notice of the violation; or
 - d Enforcement of a Private Right in a Covenant affecting the Title at Date of Policy based on a transfer of Title on or before Date of Policy that causes a loss of the Insured's Title.
4. The Company insures against loss or damage sustained by reason of:
 - a An encroachment of:
 - i DELETED; or
 - ii an Improvement located on adjoining land onto the Land at Date of Policy unless an exception in Schedule B of the policy identifies the encroachment otherwise insured against in Sections 4.a.i. or 4.a.ii.; or
 - b DELETED; or
 - c Damage to an Improvement located on the Land, at Date of Policy that is located on or encroaches onto that portion of the Land subject to an easement excepted in Schedule B, which damage results from the exercise of the right to maintain the easement for the purpose for which it was granted or reserved; or
 - d Damage to an Improvement located on the Land on or after Date of Policy, resulting from the future exercise of a right to use the surface of the Land for the extraction or development of minerals or any other subsurface substances excepted from the description of the Land or excepted in Schedule B.
5. This endorsement does not insure against loss or damage (and the Company will not pay costs, attorneys' fees, or expenses) resulting from:
 - a any Covenant contained in an instrument creating a lease;
 - b any Covenant relating to obligations of any type to perform maintenance, repair, or remediation on the Land;
 - c except as provided in Paragraph 3.c, any Covenant relating to environmental protection of any kind or nature, including hazardous or toxic matters, conditions, or substances;
 - d contamination, explosion, fire, fracturing, vibration, earthquake, or subsidence; or

e negligence by a person or an Entity exercising a right to extract or develop minerals or other subsurface substances.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Chicago Title Insurance Company

CHICAGO TITLE INSURANCE COMPANY

Anya King
Authorized Countersignature



By:

Agnes M. Davis
President

Attest:

[Signature]
Secretary

MINERALS AND SURFACE DAMAGE ENDORSEMENT T-19.2

Attached to Policy No. **44-903-100-4713007118** issued by **CHICAGO TITLE INSURANCE COMPANY**, Herein called the Company.

The Company insures the Insured against loss which the insured shall sustain by reason of damage to improvements (excluding lawns shrubbery or trees) located on the Land on or after Date of Policy resulting from the future exercise of any right existing at Date of Policy to use the surface of the Land for the extraction or development of coal, lignite, oil, gas or other minerals excepted or excluded on Schedule A, item 2 or excepted in Schedule B. This endorsement does not insure against loss resulting from subsidence.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the amount of insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Chicago Title Insurance Company

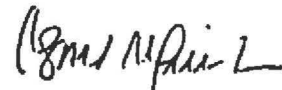


Authorized Countersignature



CHICAGO TITLE INSURANCE COMPANY

By:



President

Attest:



Secretary

NON-IMPUTATION ENDORSEMENT T-24

Attached to and forming a part of Owner Policy of Title Insurance Number **44-903-100-4713007118** issued by **Chicago Title Insurance Company** herein the Company

The Company hereby agrees that it will not assert the provisions of Exclusions from Coverage 3(a), (b), or (e) to deny liability for loss or damage otherwise insured against under the terms of the policy solely by reason of the action or inaction or knowledge, as of Date of Policy, of

Victoria Capital, LLC;
Borgfeld Housing GP, LLC, a Texas limited liability
company;
Highridge Costa Housing, LLC, a Delaware limited liability
company

whether or not imputed to the insured by operation of law, but only to the extent that

Bank of America, N.A., a national banking association and
Banc of America CDC
Special Holding Company, Inc., a North Carolina
corporation

acquired its interest in the insured as a purchaser for value without actual knowledge of the asserted defect, lien, encumbrance, adverse claim, or other matter insured against by the policy.

This endorsement is made a part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

Chicago Title Insurance Company

By 
Authorized Countersignature

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to:
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions or location of any improvement erected on the Land;
 - (iii) subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.
6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

CONDITIONS

I. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- | | |
|--|--|
| <p>(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.</p> <p>(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.</p> <p>(c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.</p> <p>(d) "Insured": The Insured named in Schedule A.</p> <p>(i) The term "Insured" also includes:</p> <p>(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;</p> <p>(B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;</p> <p>(C) successors to an Insured by its conversion to another kind of Entity;</p> <p>(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title</p> <p>(1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,</p> <p>(2) If the grantee wholly owns the named Insured,</p> <p>(3) If the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the</p> | <p>affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or</p> <p>(4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.</p> <p>(ii) With regard to (A), (B), (C) and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.</p> <p>(e) "Insured Claimant": An Insured claiming loss or damage.</p> <p>(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.</p> <p>(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.</p> <p>(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.</p> <p>(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered</p> |
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To obtain information or make a complaint:

Para obtener informacion o para someter una queja:

You may call Chicago Title Insurance Company's toll-free telephone number for information or to make a complaint at:

Usted puede llamar al numero de telefono gratis de Chicago Title Insurance Company's para informacion o para someter una queja al:

1-800-442-7067

1-800-442-7067

You may also write to Chicago Title Insurance Company at:

Usted tambien puede escribir a Chicago Title Insurance Company:

**Attention: Claims
PO Box 45023
Jacksonville, FL 32232-5023**

**Attention: Claims
PO Box 45023
Jacksonville, FL 32232-5023**

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

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

1-800-252-3439

You may write to the Texas Department of Insurance:

Puede escribir al Departamento de Seguros de Texas:

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: <http://www.tdi.texas.gov>
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Should you have a dispute concerning your premium or about a claim you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

ATTACH THIS NOTICE TO YOUR POLICY:

UNA ESTE AVISO A SU POLIZA:

This notice is for information only and does not become a part or condition of the attached document.

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

- (j) "Title": The estate or interest described in Schedule A.
- (k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) below, or (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or defect or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or defect is not covered by this policy, or was otherwise addressed in the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination. If the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and charges therefor, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a mortgagee policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect, or (vi) undertake a combination of (i) through (v) herein.

4. PROOF OF LOSS.

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The

proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS.

- (a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE.

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage.

Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance. To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

- (b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.
- (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
- (ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of:
- (i) the Amount of Insurance; or
- (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.
- (b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
- (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

- (c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY.

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE.

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS.

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

- (a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

- (b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or

conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

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.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance.

Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM.

- (a) **Choice of Law:** The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the laws of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) **Choice of Forum:** Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at: National Claims Administration PO Box 45023 Jacksonville, Florida 32232-5023.

**30 DAY
CERTIFICATE OF OCCUPANCY**

Issued by

**CITY OF CIBOLO
PLANNING & ENGINEERING
Building Inspections Department**

This certificate is issued pursuant to the requirements of the 2012 International Building Code, and certifying that at the time of issuance, this structure was in compliance with the various Ordinances of The City of Cibolo, Texas regulating construction or use For the following:

213 SOMERSET AVENUE

Issued to:

EL SERENO AFFORDABLE SENIOR HOUSING

- 1) ALL UNITS, CLUBHOUSE AND COMMON AREA 2) NO TENANTS ALLOWED TO OCCUPY UNITS

Use classification: RESIDENTIAL

Date issued: 04 JANUARY 2019

Expiration Date: 31 JANUARY 2019

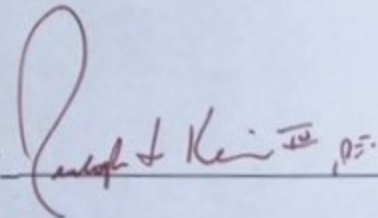
Type of construction: 5A

Type of Occupancy: TEMPORARY

Occupancy Group: R2

Certificate Number: 16-2152

Issued by



MF-1/11/2019_10:43am-bps

Deficiency Response #8

El Sereno [18509] – TDHCA DL Application Deficiency Notice

The rental housing in the subject neighborhood is primarily market rate and single family housing and by introducing 119 units of low and very low income rental housing, we are introducing greater housing options of this type to the area.

El Sereno is the only Tax Credit development within the census tract. This has been confirm on TDHCA property inventory list:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
TDHCA#	Program Type	Original TDHCA#	Year	Board Approval	Development Name	Project Address	Project City	Project County	Zip Code	LBTC Amt Awarded	Total Units	LBTC Units	Population Served	Apt. Phone #	Census Tract	CMTS_ID	Lat
1069	SHHC		2006	7/29/2006	Huntington at Sierra Ranch	6300 Block Sierra Ranch Road	Sierra Plantation	Fort Bend	77459	\$1500,000	149	105	Elderly Limitation		40957674501	5206	29.5403
16071	SHHC		2006	7/29/2006	Bilal View Senior Village	NVC of US-175 Footage Rd & FM741	Crandall	Kaufman	75094	\$574,072	48	33	Elderly Limitation	(404) 845-2327	40253056203	5209	32.6378
16077	SHHC		2006	7/29/2006	McKinney Manor Apartments	506 N. McKinney	Sweeny	Etzornia	77480	\$328,723	48	48	General	(512) 756-6909	40079662800	5280	29.0494
16082	SHHC	16041	2006	7/29/2006	Lake Ridge Apartments	401 N. 3rd St.	Mabank	Kaufman	75147	\$125,694	42	42	Elderly Limitation	(912) 756-6909	40270501000	569	32.3699
16099	SHHC		2006	7/29/2006	Parkdale Villas	3909 W FM 125 & N Parkdale Rd	Denison	Gregson	75020	\$1500,000	144	128	General	(818) 706-0634	40191000302	5211	33.75817
16104	SHHC		2006	7/29/2006	Villa Verde Estates	MED of W Mile 5 N Rd. and S. Border Ave.	Veslaco	Hidalgo	75596	\$1500,000	132	132	General		40295022300	5213	26.0274
16105	SHHC		2006	7/29/2006	Telovary Park at Arcola	Post Oak Road	Arcola	Fort Bend	77563	\$1500,000	96	88	General	(512) 698-3369	4097674501	5294	29.55219
16108	SHHC	16123	2006	7/29/2006	Timber Ridge Apartments	427 Marin Street	Chandler	Henderson	70750	\$263,062	0	0	Elderly Preference	(281) 419-6784	40210509000	531	32.3005
16110	SHHC	16105	2006	7/29/2006	The Village at Main	417 East Main Street	Bullard	Smith	75757	\$225,583	0	0	General	(281) 419-6784	40423001900	5243	32.1630
16115	SHHC		2006	7/29/2006	The Reserve at Dry Creek	900 Block of North Old Temple Road	Hewitt	McLennan	76843	\$1284,363	103	90	Elderly Limitation	(512) 328-3232	403090002706	5860	31.48591
16116	SHHC	16104	2006	7/29/2006	The Cottages at Main	417 East Main Street	Bullard	Smith	75757	\$194,178	0	0	Elderly Preference	(281) 419-6784	40423001900	5242	32.1630
16117	SHHC		2006	7/29/2006	Indian Lake Apartment Homes	NVC of Henderson Rd and Old Alice Road	Indian Lake	Cameron	79566	\$875,697	60	64	General	(972) 709-9999	40061025200	5296	25.0871
16119	SHHC		2006	7/29/2006	The Standard at Fall Creek	Houston Parkway	Houston	Harris	77296	\$1500,000	120	110	General	(214) 965-7526	40202322000	5317	29.2266
16124	SHHC		2006	7/29/2006	Balcones Haaz Apartments	246 Loma Vista	New Braunfels	Comal	78100	\$418,646	39	38	Elderly Preference	(772) 860-5747	40091036403	5278	29.6772
16129	SHHC		2006	7/29/2006	Borgheld Manor	NV of V. Borgheld Road and Doble Road	Collico	Guadalupe	78068	\$1500,000	136	119	Elderly Limitation	(214) 941-0009	40872027018	5299	29.5738
16154	SHHC		2006	7/29/2006	Hyde Estates	SEC of FM 2476 and Cunningham Rd.	Killeen	Bell	76542	\$1308,000	78	75	General	(261) 210-8502	40027022403	5229	31.0644
16159	SHHC		2006	7/29/2006	Palladium Garland	SEC of Interstate 30 and Northwest Drive	Garland	Dallas	75043	\$1500,000	140	98	General	(972) 774-4400	40100171908	5221	32.8237
16160	SHHC		2006	7/29/2006	Nash Senior Village	10000 West Interstate 10 East - Suite 1000	Nash	Bowie	75069	\$182,000	100	78	Elderly Limitation		40017091902	5222	33.4421
16162	SHHC		2006	7/29/2006	EHA Liberty Village	4500 Block of South Veterans Boulevard	Edinburg	Hidalgo	78542	\$1510,000	124	98	General		40295023801	5223	26.2553
16170	SHHC		2006	7/29/2006	Vinehousess Senior Village	V-end Leanington Spa @ Ruby Ln	Vinehouse	Smith	75791	\$750,000	72	56	Elderly Limitation		40423002200	5224	32.2163
16172	SHHC		2006	7/29/2006	Lumberton Senior Village	NVC of Mitchell Rd and Smith League Rd	Lumberton	Hardin	77657	\$735,000	76	55	Elderly Limitation		40399030600	5225	30.2208
16175	SHHC		2006	7/29/2006	Crosby Meadows Apartments	304 Koneak	Crosby	Harris	77532	\$643,865	97	96	General	(281) 689-2030	40202052700	5226	29.8909
16178	SHHC		2006	7/29/2006	Palladium Anna	MED of Highway 5 and 422	Anna	Collin	75409	\$1500,000	100	100	General	(972) 774-4400	40095030203	5227	33.33
16184	SHHC		2006	12/28/2006	Reserve at Hagan	606 Highway 190 S	Vinehouse	Smith	75791	\$887,879	72	66	General	(512) 598-2694	40423002200	5228	32.2191
16185	SHHC		2006	7/29/2006	Meritt Heritage	SEC of Williams Dr. and Woodlark	Georgetown	Williamson	78663	\$1394,724	244	122	Elderly Limitation	(512) 732-0226	40439020809	5861	30.6886
16188	SHHC		2006	7/29/2006	Kara Pointe	10000 West Interstate 10 East - Suite 1000	Georgetown	Williamson	78633	\$1373,400	102	80	General		40439020809	5229	30.6349
16197	SHHC		2006	7/29/2006	RAM Tawko Senior Village	307 N. Tawko Rd.	Merissa	Hidalgo	78537	\$178,000	107	84	Family Limitation		40295023018	5299	26.3998



DP-1

Profile of General Population and Housing Characteristics: 2010

2010 Demographic Profile Data

NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/dpsf.pdf>.

Geography: Cibolo city, Texas

Subject	Number	Percent
SEX AND AGE		
Total population	15,349 ⁽⁴⁹⁴⁶⁸⁾	100.0
Under 5 years	1,127	7.3
5 to 9 years	1,362	8.9
10 to 14 years	1,553	10.1
15 to 19 years	1,429	9.3
20 to 24 years	573	3.7
25 to 29 years	730	4.8
30 to 34 years	1,078	7.0
35 to 39 years	1,401	9.1
40 to 44 years	1,607	10.5
45 to 49 years	1,467	9.6
50 to 54 years	975	6.4
55 to 59 years	683	4.4
60 to 64 years	558	3.6
65 to 69 years	357	2.3
70 to 74 years	205	1.3
75 to 79 years	109	0.7
80 to 84 years	77	0.5
85 years and over	58	0.4
Median age (years)	34.3	(X)
16 years and over	10,985	71.6
18 years and over	10,330	67.3
21 years and over	9,745	63.5
62 years and over	1,133	7.4
65 years and over	806	5.3
Male population	7,416	48.3
Under 5 years	583	3.8
5 to 9 years	659	4.3
10 to 14 years	813	5.3
15 to 19 years	702	4.6
20 to 24 years	299	1.9
25 to 29 years	339	2.2
30 to 34 years	490	3.2
35 to 39 years	626	4.1
40 to 44 years	763	5.0
45 to 49 years	750	4.9
50 to 54 years	449	2.9
55 to 59 years	319	2.1
60 to 64 years	261	1.7

Subject	Number	Percent
65 to 69 years	75	1.1
70 to 74 years	96	0.6
75 to 79 years	46	0.3
80 to 84 years	28	0.2
85 years and over	18	0.1
Median age (years)	33.5	(X)
16 years and over	5,206	33.9
18 years and over	4,879	31.8
21 years and over	4,593	29.9
62 years and over	521	3.4
65 years and over	363	2.4
Female population	7,933	51.7
Under 5 years	544	3.5
5 to 9 years	703	4.6
10 to 14 years	740	4.8
15 to 19 years	727	4.7
20 to 24 years	274	1.8
25 to 29 years	391	2.5
30 to 34 years	588	3.8
35 to 39 years	775	5.0
40 to 44 years	844	5.5
45 to 49 years	717	4.7
50 to 54 years	526	3.4
55 to 59 years	364	2.4
60 to 64 years	297	1.9
65 to 69 years	182	1.2
70 to 74 years	109	0.7
75 to 79 years	63	0.4
80 to 84 years	49	0.3
85 years and over	40	0.3
Median age (years)	35.0	(X)
16 years and over	5,779	37.7
18 years and over	5,451	35.5
21 years and over	5,152	33.6
62 years and over	612	4.0
65 years and over	443	2.9
RACE		
Total population	15,349 ⁽⁴⁹⁴⁶⁸⁾	100.0
One Race	14,635	95.3
White	11,282	73.5
Black or African American	2,134	13.9
American Indian and Alaska Native	82	0.5
Asian	462	3.0
Asian Indian	22	0.1
Chinese	30	0.2
Filipino	216	1.4
Japanese	29	0.2
Korean	71	0.5
Vietnamese	47	0.3
Other Asian [1]	47	0.3
Native Hawaiian and Other Pacific Islander	46	0.3
Native Hawaiian	11	0.1
Guamanian or Chamorro	9	0.1
Samoan	14	0.1

Subject	Number	Percent
Other Pacific Islander [2]	12	0.1
Some Other Race	629	4.1
Two or More Races	714	4.7
White; American Indian and Alaska Native [3]	82	0.5
White; Asian [3]	191	1.2
White; Black or African American [3]	173	1.1
White; Some Other Race [3]	93	0.6
Race alone or in combination with one or more other races: [4]		
White	11,879	77.4
Black or African American	2,414	15.7
American Indian and Alaska Native	205	1.3
Asian	757	4.9
Native Hawaiian and Other Pacific Islander	89	0.6
Some Other Race	772	5.0
HISPANIC OR LATINO		
Total population	15,349 ⁽⁴⁹⁴⁶⁸⁾	100.0
Hispanic or Latino (of any race)	3,626	23.6
Mexican	2,637	17.2
Puerto Rican	337	2.2
Cuban	34	0.2
Other Hispanic or Latino [5]	618	4.0
Not Hispanic or Latino	11,723	76.4
HISPANIC OR LATINO AND RACE		
Total population	15,349 ⁽⁴⁹⁴⁶⁸⁾	100.0
Hispanic or Latino	3,626	23.6
White alone	2,616	17.0
Black or African American alone	126	0.8
American Indian and Alaska Native alone	24	0.2
Asian alone	21	0.1
Native Hawaiian and Other Pacific Islander alone	4	0.0
Some Other Race alone	605	3.9
Two or More Races	230	1.5
Not Hispanic or Latino	11,723	76.4
White alone	8,666	56.5
Black or African American alone	2,008	13.1
American Indian and Alaska Native alone	58	0.4
Asian alone	441	2.9
Native Hawaiian and Other Pacific Islander alone	42	0.3
Some Other Race alone	24	0.2
Two or More Races	484	3.2
RELATIONSHIP		
Total population	15,349 ⁽⁴⁹⁴⁶⁸⁾	100.0
In households	15,349 ⁽³⁷⁵⁵⁹⁾	100.0
Householder	4,959	32.3
Spouse [6]	3,478	22.7
Child	5,757	37.5
Own child under 18 years	4,639	30.2
Other relatives	796	5.2
Under 18 years	323	2.1
65 years and over	153	1.0
Nonrelatives	359	2.3
Under 18 years	55	0.4
65 years and over	13	0.1
Unmarried partner	166	1.1
In group quarters	0	0.0

Subject	Number	Percent
Institutionalized population	0	0.0
Male	0	0.0
Female	0	0.0
Noninstitutionalized population	0	0.0
Male	0	0.0
Female	0	0.0
HOUSEHOLDS BY TYPE		
Total households	4,959 ^(r10223)	100.0
Family households (families) [7]	4,167	84.0
With own children under 18 years	2,462	49.6
Husband-wife family	3,478	70.1
With own children under 18 years	2,030	40.9
Male householder, no wife present	170	3.4
With own children under 18 years	98	2.0
Female householder, no husband present	519	10.5
With own children under 18 years	334	6.7
Nonfamily households [7]	792	16.0
Householder living alone	656	13.2
Male	272	5.5
65 years and over	39	0.8
Female	384	7.7
65 years and over	104	2.1
Households with individuals under 18 years	2,652	53.5
Households with individuals 65 years and over	627	12.6
Average household size	3.10	(X)
Average family size [7]	3.41	(X)
HOUSING OCCUPANCY		
Total housing units	5,113 ^(r25467)	100.0
Occupied housing units	4,959 ^(r10223)	97.0
Vacant housing units	154 ^(r14516)	3.0
For rent	32	0.6
Rented, not occupied	1	0.0
For sale only	73	1.4
Sold, not occupied	10	0.2
For seasonal, recreational, or occasional use	6	0.1
All other vacants	32	0.6
Homeowner vacancy rate (percent) [8]	1.7	(X)
Rental vacancy rate (percent) [9]	4.3	(X)
HOUSING TENURE		
Occupied housing units	4,959 ^(r10223)	100.0
Owner-occupied housing units	4,245	85.6
Population in owner-occupied housing units	13,074	(X)
Average household size of owner-occupied units	3.08	(X)
Renter-occupied housing units	714	14.4
Population in renter-occupied housing units	2,275	(X)
Average household size of renter-occupied units	3.19	(X)

(r49468) This count has been revised.
 Revised count: **19,580**
 Revision date: **12-20-2012**
 For more information, see 2010 Census Count Question Resolution.

(r37559) This count has been revised.
 Revised count: **19,580**
 Revision date: **12-20-2012**

(r37559) For more information, see 2010 Census Count Question Resolution.

(r10223) This count has been revised.

Revised count: **6,309**

Revision date: **12-20-2012**

For more information, see 2010 Census Count Question Resolution.

(r25467) This count has been revised.

Revised count: **6,575**

Revision date: **12-20-2012**

For more information, see 2010 Census Count Question Resolution.

(r14516) This count has been revised.

Revised count: **266**

Revision date: **12-20-2012**

For more information, see 2010 Census Count Question Resolution.

X Not applicable.

[1] Other Asian alone, or two or more Asian categories.

[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] One of the four most commonly reported multiple-race combinations nationwide in Census 2000.

[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

[6] "Spouse" represents spouse of the householder. It does not reflect all spouses in a household. Responses of "same-sex spouse" were edited during processing to "unmarried partner."

[7] "Family households" consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. "Nonfamily households" consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[9] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.



DP-1

Profile of General Population and Housing Characteristics: 2010

2010 Demographic Profile Data

NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/dpsf.pdf>.Geography: **Census Tract 2107.08**, Guadalupe County, Texas

Subject	Number	Percent
SEX AND AGE		
Total population	6,396	100.0
Under 5 years	416	6.5
5 to 9 years	543	8.5
10 to 14 years	667	10.4
15 to 19 years	630	9.8
20 to 24 years	244	3.8
25 to 29 years	217	3.4
30 to 34 years	389	6.1
35 to 39 years	572	8.9
40 to 44 years	666	10.4
45 to 49 years	642	10.0
50 to 54 years	446	7.0
55 to 59 years	307	4.8
60 to 64 years	219	3.4
65 to 69 years	151	2.4
70 to 74 years	113	1.8
75 to 79 years	54	0.8
80 to 84 years	50	0.8
85 years and over	70	1.1
Median age (years)	35.8	(X)
16 years and over	4,646	72.6
18 years and over	4,352	68.0
21 years and over	4,082	63.8
62 years and over	561	8.8
65 years and over	438	6.8
Male population		
Under 5 years	213	3.3
5 to 9 years	253	4.0
10 to 14 years	356	5.6
15 to 19 years	304	4.8
20 to 24 years	143	2.2
25 to 29 years	97	1.5
30 to 34 years	158	2.5
35 to 39 years	259	4.0
40 to 44 years	323	5.1
45 to 49 years	314	4.9
50 to 54 years	226	3.5
55 to 59 years	145	2.3
60 to 64 years	110	1.7

Subject	Number	Percent
65 to 69 years	77	1.2
70 to 74 years	45	0.7
75 to 79 years	24	0.4
80 to 84 years	18	0.3
85 years and over	8	0.1
Median age (years)	35.3	(X)
16 years and over	2,188	34.2
18 years and over	2,040	31.9
21 years and over	1,914	29.9
62 years and over	236	3.7
65 years and over	172	2.7
Female population	3,323	52.0
Under 5 years	203	3.2
5 to 9 years	290	4.5
10 to 14 years	311	4.9
15 to 19 years	326	5.1
20 to 24 years	101	1.6
25 to 29 years	120	1.9
30 to 34 years	231	3.6
35 to 39 years	313	4.9
40 to 44 years	343	5.4
45 to 49 years	328	5.1
50 to 54 years	220	3.4
55 to 59 years	162	2.5
60 to 64 years	109	1.7
65 to 69 years	74	1.2
70 to 74 years	68	1.1
75 to 79 years	30	0.5
80 to 84 years	32	0.5
85 years and over	62	1.0
Median age (years)	36.2	(X)
16 years and over	2,458	38.4
18 years and over	2,312	36.1
21 years and over	2,168	33.9
62 years and over	325	5.1
65 years and over	266	4.2
RACE		
Total population	6,396	100.0
One Race	6,111	95.5
White	4,873	76.2
Black or African American	772	12.1
American Indian and Alaska Native	30	0.5
Asian	185	2.9
Asian Indian	14	0.2
Chinese	4	0.1
Filipino	98	1.5
Japanese	14	0.2
Korean	18	0.3
Vietnamese	13	0.2
Other Asian [1]	24	0.4
Native Hawaiian and Other Pacific Islander	19	0.3
Native Hawaiian	9	0.1
Guamanian or Chamorro	7	0.1
Samoan	0	0.0

Subject	Number	Percent
Other Pacific Islander [2]	3	0.0
Some Other Race	232	3.6
Two or More Races	285	4.5
White; American Indian and Alaska Native [3]	21	0.3
White; Asian [3]	88	1.4
White; Black or African American [3]	69	1.1
White; Some Other Race [3]	36	0.6
Race alone or in combination with one or more other races: [4]		
White	5,116	80.0
Black or African American	879	13.7
American Indian and Alaska Native	65	1.0
Asian	321	5.0
Native Hawaiian and Other Pacific Islander	40	0.6
Some Other Race	286	4.5
HISPANIC OR LATINO		
Total population	6,396	100.0
Hispanic or Latino (of any race)	1,377	21.5
Mexican	968	15.1
Puerto Rican	131	2.0
Cuban	15	0.2
Other Hispanic or Latino [5]	263	4.1
Not Hispanic or Latino	5,019	78.5
HISPANIC OR LATINO AND RACE		
Total population	6,396	100.0
Hispanic or Latino	1,377	21.5
White alone	997	15.6
Black or African American alone	47	0.7
American Indian and Alaska Native alone	11	0.2
Asian alone	9	0.1
Native Hawaiian and Other Pacific Islander alone	3	0.0
Some Other Race alone	226	3.5
Two or More Races	84	1.3
Not Hispanic or Latino	5,019	78.5
White alone	3,876	60.6
Black or African American alone	725	11.3
American Indian and Alaska Native alone	19	0.3
Asian alone	176	2.8
Native Hawaiian and Other Pacific Islander alone	16	0.3
Some Other Race alone	6	0.1
Two or More Races	201	3.1
RELATIONSHIP		
Total population	6,396	100.0
In households	6,297	98.5
Householder	1,990	31.1
Spouse [6]	1,470	23.0
Child	2,410	37.7
Own child under 18 years	1,895	29.6
Other relatives	301	4.7
Under 18 years	136	2.1
65 years and over	54	0.8
Nonrelatives	126	2.0
Under 18 years	12	0.2
65 years and over	6	0.1
Unmarried partner	58	0.9
In group quarters	99	1.5

Subject	Number	Percent
Institutionalized population	99	1.5
Male	15	0.2
Female	84	1.3
Noninstitutionalized population	0	0.0
Male	0	0.0
Female	0	0.0
HOUSEHOLDS BY TYPE		
Total households	1,990	100.0
Family households (families) [7]	1,719	86.4
With own children under 18 years	1,006	50.6
Husband-wife family	1,470	73.9
With own children under 18 years	848	42.6
Male householder, no wife present	63	3.2
With own children under 18 years	40	2.0
Female householder, no husband present	186	9.3
With own children under 18 years	118	5.9
Nonfamily households [7]	271	13.6
Householder living alone	211	10.6
Male	99	5.0
65 years and over	12	0.6
Female	112	5.6
65 years and over	33	1.7
Households with individuals under 18 years	1,088	54.7
Households with individuals 65 years and over	249	12.5
Average household size	3.16	(X)
Average family size [7]	3.43	(X)
HOUSING OCCUPANCY		
Total housing units	2,036	100.0
Occupied housing units	1,990	97.7
Vacant housing units	46	2.3
For rent	10	0.5
Rented, not occupied	1	0.0
For sale only	27	1.3
Sold, not occupied	2	0.1
For seasonal, recreational, or occasional use	2	0.1
All other vacants	4	0.2
Homeowner vacancy rate (percent) [8]	1.5	(X)
Rental vacancy rate (percent) [9]	3.6	(X)
HOUSING TENURE		
Occupied housing units	1,990	100.0
Owner-occupied housing units	1,725	86.7
Population in owner-occupied housing units	5,359	(X)
Average household size of owner-occupied units	3.11	(X)
Renter-occupied housing units	265	13.3
Population in renter-occupied housing units	938	(X)
Average household size of renter-occupied units	3.54	(X)

X Not applicable.

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[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] One of the four most commonly reported multiple-race combinations nationwide in Census 2000.

[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six

percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

[6] "Spouse" represents spouse of the householder. It does not reflect all spouses in a household. Responses of "same-sex spouse" were edited during processing to "unmarried partner."

[7] "Family households" consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. "Nonfamily households" consist of people living alone and households which do not have any members related to the householder.

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[9] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.

Multiple Site Information Form

This exhibit is required if a development site is assembled by aggregating noncontiguous tracts conveyed by one contract, or tracts conveyed by more than one contract whether contiguous or not. For each contract, list the address, legal description and acreage of each tract. The sum of the acreages must equal or exceed the acreage of the corresponding site plan(s) before dedications and other foreseeable reductions. Provide a reconciliation of any discrepancy (dedications, takings, reserves for other uses, etc.). **Behind this form, provide a plat of the acquisitions that correspond to each distinct development site. The plat should state the dimensions of each tract and identify the address, legal description and acreage. If the development site boundaries do not match the boundaries of the platted acquisitions, provide an overlay plat of the development site.**

1	<div style="border: 2px solid red; padding: 5px; display: inline-block; color: blue; font-weight: bold;">NOT APPLICABLE</div>			
Contract Number		Census Tract	Acreage	Date of Sale
Street Address		City		
Contact Name for Seller <i>Only list if owner has owned <36 mos.</i>		Name of Seller Entity <i>Only list if owner has owned <36 mos.</i>		
Contact Name for Previous Seller		Name of Previous Seller Entity		
Seller Address		City	State	Zip
Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?				<input type="checkbox"/>
Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team?				<input type="checkbox"/>
If yes above, describe relationship: <input type="text"/>				
<input type="checkbox"/> Contract includes more than one tract/lot. Address, legal description, and acreage are below.				
a.	Address	Abbreviated Legal	Acres	
b.	Address	Abbreviated Legal	Acres	
c.	Address	Abbreviated Legal	Acres	

2				
Contract Number		Census Tract	Acreage	Date of Sale
Street Address		City		
Contact Name for Seller <i>Only list if owner has owned <36 mos.</i>		Name of Seller Entity <i>Only list if owner has owned <36 mos.</i>		
Contact Name for Previous Seller		Name of Previous Seller Entity		
Seller Address		City	State	Zip
Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?				<input type="checkbox"/>
Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team?				<input type="checkbox"/>
If yes above, describe relationship: <input type="text"/>				
<input type="checkbox"/> Contract includes more than one tract/lot. Address, legal description, and acreage are below.				
a.	Address	Abbreviated Legal	Acres	
b.	Address	Abbreviated Legal	Acres	
c.	Address	Abbreviated Legal	Acres	

If a revised form is submitted, date of submission:

Elected Officials

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.

Vincent Gonzalez 15
**** US Representative** **District**

<u>Donna Campbell</u>	<u>25</u>
State Senator	District
Included with Application	
Support Letter	
<u>Stosh Boyle</u>	
City Mayor	

<u>John Kuempel</u>	<u>44</u>
State Representative	District
Included with Application	
Support Letter	
<u>Kyle Kutscher</u>	
County Judge	

Greg Gibson SCUC ISD ggibson@scuc.txed.net
School Superintendent **District Name** **Email**
1060 Elbel Road Schertz 78154
Address **City** **Zip**

Gerald Perkins gperkins@scuc.txed.net
Presiding officer of Board of Trustees **Email**
417 Frank Baum Schertz 78154
Address **City** **Zip**

** 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.

Elected Officials (Continued)

Jennifer Schultes	1	district1@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Verlin "Doug" Garrett	2	district2@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Brian Byrd	3	district3@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Ted Gibbs	4	district4@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Mark Allen	5	district5@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Tim Woliver	6	district6@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Joel Hicks	7	district7@cibolotx.gov
City Council Member	District/Precinct	Email or Phone
Greg Seidenberger	1	greg.seidenberger@co.guadalupe.tx.us
County Commissioner	District/Precinct	Email or Phone
Jack Shanafelt	2	jack.shanafelt@co.guadalupe.tx.us
County Commissioner	District/Precinct	Email or Phone
Jim Wolverton	3	wolverton@co.guadalupe.tx.us
County Commissioner	District/Precinct	Email or Phone
Judy Cope	4	jcope@co.guadalupe.tx.us
County Commissioner	District/Precinct	Email or Phone
	District/Precinct	Email or Phone
	District/Precinct	Email or Phone

Neighborhood Organizations

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. **NOT APPLICABLE**

Name of Organization		Contact Name	
Address		City	
Zip	Phone	Fax or Email	

2.

Name of Organization		Contact Name	
Address		City	
Zip	Phone	Fax or Email	

3.

Name of Organization		Contact Name	
Address		City	
Zip	Phone	Fax or Email	

4.

Name of Organization		Contact Name	
Address		City	
Zip	Phone	Fax or Email	

5.

Name of Organization		Contact Name	
Address		City	
Zip	Phone	Fax or Email	

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 of Applicant/Development Owner

29-Nov-18

Date

Mohannad H. Mohanna

Printed Name

Notarize on next page

CERTIFICATION OF NOTIFICATIONS (continued)

Notary Public, State of

My Commission expires

County of

See attached

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 _____, _____

Notary Public Signature

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles)

On November 29, 2018 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Mohannad H. Mohanna,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



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:

Elderly Limitation

*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.

El Sereno Apartments is a new 136 unit mixed-income (119 HTC/17 MR) Elderly Development community in the City of Cibolo. The development will be constructed on a site along a major north-south corridor of the city. El Sereno will comprise of one (1) wrap style building with elevators and clubhouse offering residents one and two bedroom units. The site planning process included City involvement and neighborhood meetings to ensure the development plan was sensitive to the single family residential neighborhoods within close proximity to the site location. The property is zoned for multifamily use. El Sereno will be located on a portion of a larger tract of land that will very likely attract additional investments once completed. The site is also in close proximity to a Super Walmart, which opened in January 2016. The only other multifamily housing tax credit development in Cibolo was a 24 unit multifamily general project awarded in 1992.

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.

Department Funds applying for with this Application	Requested Amount	If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:		
		Interest Rate (%)	Amortization (Years)	Permanent Term (Years)
Multifamily Direct Loan: Const. to Perm. (Repayable)			30	
Multifamily Direct Loan: Construction Only (Repayable)				
Multifamily Direct Loan: Const. to Perm. (Soft Repayable)	\$ 1,140,000	0.00%		35
CHDO Operating Expenses Grant				
Housing Tax Credits	\$ 1,500,000			
Private Activity Mortgage Revenue				

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 can not be added or dropped from pre-application to full Application for Competitive HTC Applications.

Competitive HTC Only				Multifamily Direct Loan Only			
At-Risk	Nonprofit	USDA		CHDO	SH/SR		
						X	

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? Yes

Has this site/activity previously received TDHCA funds? Yes

If "Yes" Enter Project Number: 16128 and TDHCA funding source: 9% Housing Tax Credits

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.
- 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))

136 # of Units must qualify for 14 Points

- 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.

Yes

All Units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).

and

- Development will meet all specifications and accessibility requirements reflected in 10 TAC Chapter 1, Subchapter B, §1.207.

Yes

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)

self score

16

1. Size and Quality of Units (Competitive HTC Applications only) [§11.9(b)]

Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below: Points claimed:

Bedroom Size	0	1	2	3	4
Square Footage	550	650	850	1,050	1,250

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.* Points claimed:

** 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:

At least 10 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:

At least 5 percent of all low-income Units at 30% or less of AMGI* Direct Loan Points:

In the event of a tie with another application or applications, this percentage of 30% AMGI MFDL units within the Development would be converted to be available to households at 15% AMGI.

** Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those units for point scoring under §13.6(e). However, 50% AMGI and 60% AMGI units that are layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(e). Points claimed here will not appear on the Self Score tab.*

3. Income Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(1)]

Total Number of Units at 50% or less of AMGI

Number of 30% Units used to score points under §11.9(c)(2)*

CHECK YOUR MATH!

Number of 30% Units used under §11.4(c)(3)(D) regarding an Increase in Eligible Basis (30% boost)

Number of Units at 50% or less of AMGI available to use for points under §11.9(c)(1)

Percentage used for calculation of eligible points under §11.9(c)(1)

Mark **only one** box below:

Development is located in a Non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio or Austin MSA; or

Developments proposed in all other areas.

** Applicants electing the 30% boost for additional 30% units are advised to ensure the units used to support the boost are not included in the units needed to achieve the Application's scoring elections.* Points Claimed:

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

Mark **only one** box below:

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.

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

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

At least 5% of all low-income Units at 30% or less of AMGI

Points Claimed:

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.

Supportive Housing Development proposed by a Qualified Nonprofit

All other Developments.

The Applicant certifies that the Development will contact local service providers, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants. 1
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)

Existing Development Name: _____ TDHCA #: _____

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

OR

B If not scoring under A above, Applicant or Affiliate is committing at least 10 Units in the proposed Development for participation in the Section 811 PRA Program

Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant's or Affiliate's lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs;

AND

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

OR

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 Disabilities or a use restriction for Special Needs Populations is **not a disqualifying factor** for purposes of this scoring item.
- Development only has units with an existing or proposed 62 or more age restriction.
- Development is not located in Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA, Dallas-Fort Worth-Arlington MSA, El Paso MSA, Houston-The Woodlands-Sugar Land MSA, McAllen-Edinburg-Mission MSA, or San Antonio-New Braunfels MSA.
- The Development is a new construction project and located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's most current Flood Insurance Rate Maps.
- The Development is located in a coastal high hazard area (V Zone) or regulatory floodway.
- Other disqualifying factor (please explain) _____

Points Claimed: 0

Application is seeking points for Tenant Populations. Points Claimed: _____

7. **Pre-Application Participation (Competitive HTC Applications only) [§11.9(e)(3)]**

Development is requesting Pre-Application Points.

8. **Extended Affordability (Competitive HTC Applications only) [§11.9(e)(5)]**

Development will maintain a 35 year Affordability Period.

9. **Historic Preservation (Competitive HTC Applications only) [§11.9(e)(6)]**

Application requests points for Historic Preservation.

Application contains a letter from the Texas Historical Commission (THC) determining preliminary eligibility for federal or state historic (rehabilitation) tax credits.

Application includes documentation from the Texas Historical Commission that the property is currently a Certified Historic Structure or determining preliminary eligibility for status as a Certified Historic Structure.

Development will be able to document receipt of historic tax credits by the time Forms 8609 are issued.

At least 75% of the residential units will be within the Certified Historic Structure.

Attached behind this tab are the THC letter and other documentation described above.

Application is eligible for five (5) points. 

10. **Right of First Refusal (Competitive HTC Applications only) [§11.9(e)(7)]**

Development Owner agrees to provide a Right of First Refusal to purchase the Development upon or following the end of the Compliance Period.

11. **Funding Request Amount (Competitive HTC Applications only) [§11.9(e)(8)]**

Application reflects funding request for no more than 100% of the amount available in the subregion or set-aside as of 12/5/2017.

EXISTING DEVELOPMENT INFORMATION

1. At-Risk Set-Aside (Competitive HTC Applications Only) [§11.5(3)]

0 Qualification: Must meet the requirements of an At-Risk Development in §11.5(3) of the Qualified Allocation Plan. Documentation must be submitted behind this tab showing that the Development meets the requirements of Texas Government Code §2306.6702(a)(5) and §11.5(3) of the 2017 Qualified Allocation Plan.

PART A: DOCUMENTATION MUST SHOW THAT THE SUBSIDY OR BENEFIT IS FROM ONE OF THE FOLLOWING APPROVED PROGRAMS (mark all that apply):

- Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l)
- Section 236, National Housing Act (12 U.S.C. Section 1715z-1)
- Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q)
- Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s)
- The Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the U.S. Department of Housing and Urban Development as specified in 24 CFR Part 886, Subpart A.
- The Section 8 Housing Assistance Program for the Disposition of HUD Owned Projects administered by the U.S. Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart C.
- Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485 and 1486)
- Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42)

IN ADDITION, THE SUBSIDY OR BENEFIT IS SUBJECT TO THE FOLLOWING CONDITIONS (mark all that apply):

- The stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (i.e. expiration will occur within two (2) calendar years of July 31, 2018). See §11.5(3)(E) and (F) of the 2018 QAP concerning At-Risk developments qualifying under Section 42 of the Internal Revenue Code.
- The subsidy marked above is a HUD-insured or HUD-held mortgage nearing the end of its mortgage term (the term will end within two (2) calendar years of July 31, 2018), **AND** the mortgage is eligible for prepayment or has been prepaid.

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

At-Risk Set-Aside (continued)

The new Development Site qualifies for points under §11.9(c)(4) related to Opportunity Index; **OR**

The local Governing Body of the applicable municipality or county (if completely outside of a municipality) in which that Development is located must submit a resolution confirming that the proposed Development is supported by the municipality or county in order to carry out a previously adopted plan that meets the requirements of §11.9(d)(7) related to Concerted Revitalization Plans.

PART D: REGULATORY BARRIERS NECESSITATE ELIMINATION OF ALL OR A PORTION OF THE FINANCIAL BENEFIT FOR THE DEVELOPMENT, AND:

Evidence of the legal requirements that will unambiguously cause the loss of affordability is included.

Development qualifies under §2306.6702(a)(5)(B); **AND**

No less than 25 percent of the proposed Units are public housing units supported by public housing operating subsidy, **AND**

Less than 100 percent of the public housing benefits are being transferred to the proposed Development and the Application includes an explanation of the disposition of the remaining public housing benefits along with a copy of the HUD-approved plan for demolition and disposition.

PART E: THE PROPOSED DEVELOPMENT IS ELIGIBLE TO REQUEST A QUALIFIED CONTRACT UNDER §42, AND THE APPLICATION INCLUDES:

A copy of the recorded LURA and the first years' IRS Forms 8609 for all buildings showing Part II of the form completed; **AND**

If applicable, documentation from the original application regarding the right of first refusal.

Applications proposing the demolition and Reconstruction of Units will be considered New Construction.

2. Existing Development Assistance On Housing Rehabilitation Activities¹

Part A.

The existing Property is expected to have or continue the following benefit:

Provide a brief description of the restrictions or subsidies the existing Property will have or continue in the space below:

A copy of the contract or agreement securing the funds identified above is provided behind this form.

The source of funds is:

The annual amount of funds is:

The number of units receiving assistance:

The term of the contract or agreement is (date):

The expiration of the contract or agreement is (date):

Part B. Acquisition Of Existing Buildings (applicable only to HTC applications with Acquisition credits requested)

Date of the most recent sale or transfer of the building(s):

In the last ten years, did the previous owner perform rehabilitation work greater than 25% of the building's adjusted basis?

Was the building occupied at any time during the last ten years?

Was the building occupied or suitable for occupancy at the time of purchase?

Will the acquisition meet the requirements of §42(d)(2)(B)(ii) relating to the 10-year placed in service rule?

If "Yes", provide a copy of a title commitment that the Development meets the requirements of §42(d)(2)(B)(ii) as to the 10 year period.

If "No", does the property qualify for a waiver under §42(d)(6)?

If "Yes", provide the waiver and/or other documentation.

How many buildings will be acquired for the Development?



Existing Development Assistance (continued)

Are all the buildings currently under control by the Development Owner?

If "No", how many buildings are under control by the Development Owner?

When will the remaining buildings be under control?

¹Per §2306.008, TDHCA shall support the preservation of affordable housing for individuals with special needs and individuals and families of low income at any location considered necessary by TDHCA.

Identification or address(es) of Building(s) under Owner's Control	Type of Control (Ownership, Option, Purchase Contract)	Expiration Date	# of Units	Acquisition Cost of Building

Provide the information listed below concerning the acquisition of building(s) for the Development:

1. Building(s) acquired or to be acquired from: Related Party Unrelated Party

2. Building(s) acquired or to be acquired with Buyer's Basis:

Determined with reference to Seller's Basis Not Determined with reference to Seller's Basis

List below by building address, the date the building was placed in service (PIS), the date the building was or is planned for acquisition, and the number of years between the date the building was placed in service and acquisition. Attach separate sheet(s) with additional information if necessary.

Building Address(es)	PIS date of building by most recent owner	Proposed Acquisition date by the Applicant	Years between PIS & Acquisition

3. Lead Based Paint (Direct Loan Applications Only)

Development constructed before January 1, 1978

Check each of the following that applies [24 CFR 35.115]:

- Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.
- Housing "exclusively" for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.
- An inspection performed according to HUD standards found the property contained no lead-based paint.
- According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.
- The rehabilitation will not disturb any painted surface.
- The property has no bedrooms.
- The property is currently vacant and will remain vacant until demolition.

Occupied Developments

Pursuant to §10.204(8)(G) of the Uniform Multifamily Rules, for any Application where any structure on the Development Site is occupied at any time after the beginning of the Application Acceptance Period, even if demolition is proposed, the following items must be provided.

- Historical monthly operating statements of the Development for twelve (12) consecutive months ending no more than three (3) months from the first day of the Application Acceptance Period; or
 - The two (2) most recent consecutive annual operating statement summaries; or
 - The most recent consecutive six (6) months of operating statements and the most recent available annual operating summary; or
 - All monthly or annual operating summaries available.
- AND**
- A rent roll not more than six (6) months old as of the first day of the Application Acceptance Period that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and tenant names or vacancy; and
 - A written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6)); and
 - If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. (§2306.6705(6)); and
 - A relocation plan outlining relocation requirements and a budget with an identified funding source that clearly describes relocation process, actions, and costs to the displaced and those not (§2306.6705(6)).
 - 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

Printed Name

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.

Signature of Applicant
Printed Name
Date

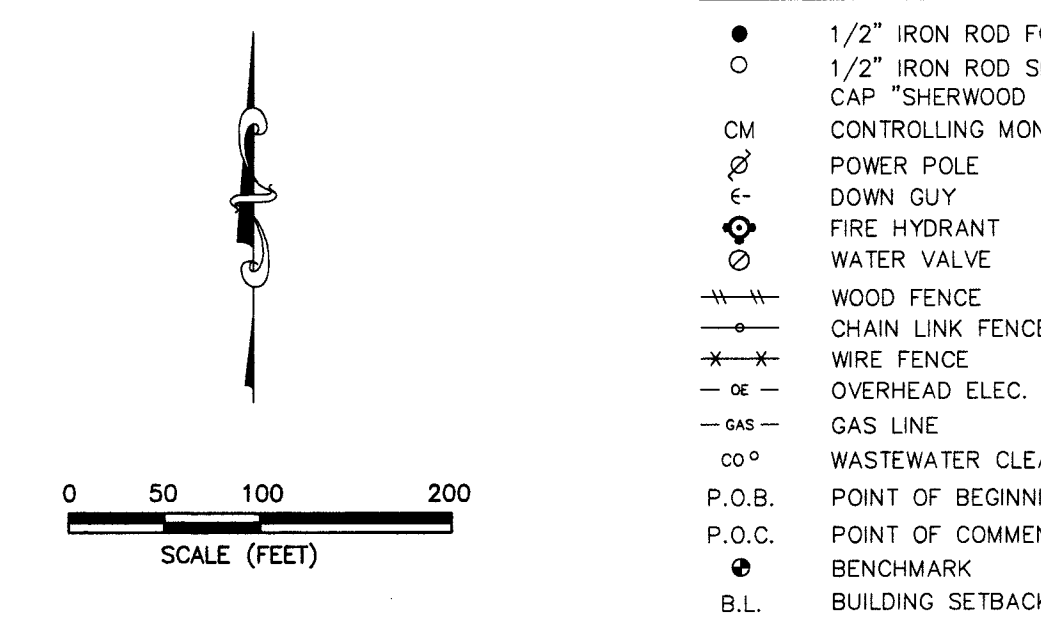
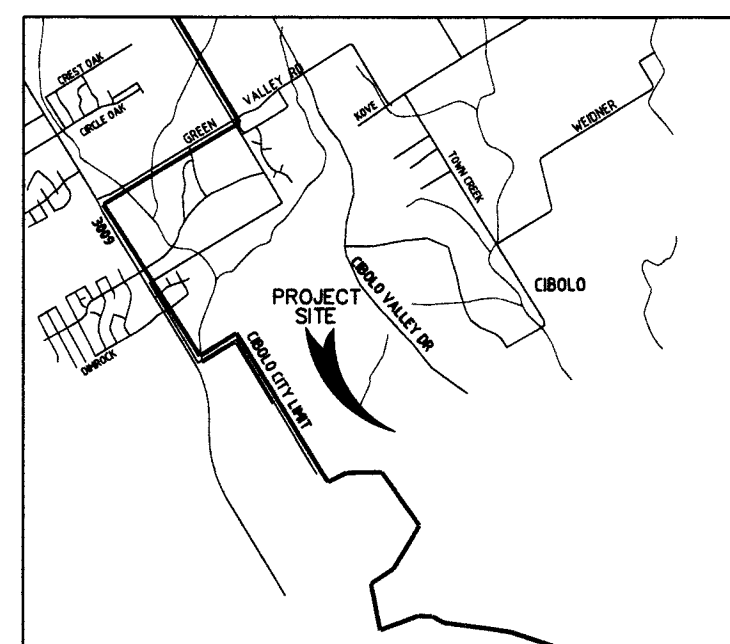
Architectural Drawings Must be Submitted Behind this Tab [§10.204(b)(9)]

(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)

ALTA/NSPS LAND TITLE SURVEY

BEING A 10.308 ACRE TRACT OF LAND SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 5.072 ACRE TRACT RECORDED IN DOCUMENT NO. 201601122 AND PART OF THAT CERTAIN 10.076 ACRE TRACT RECORDED IN VOLUME 4021, PAGE 451, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS.



FIELDNOTE DESCRIPTION

BEING A 10.308 ACRE TRACT OF LAND SITUATED IN THE S. COCKRILL SURVEY, ABSTRACT NO. 96 AND THE A.S. LEWIS SURVEY, ABSTRACT NO. 216, GUADALUPE COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN 5.072 ACRE TRACT RECORDED IN DOCUMENT NO. 201601122 AND PART OF THAT CERTAIN 10.076 ACRE TRACT RECORDED IN VOLUME 4021, PAGE 451, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS.

COMMENCING, AT A FOUND 1/2" IRON ROD IN THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFIELD ROAD, BEING THE SOUTHWESTERLY CORNER OF A CALLED 0.190 ACRE RIGHT-OF-WAY DEDICATION RECORDED IN DOCUMENT NUMBER 201602482, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS, THE SOUTHEASTERLY CORNER OF FALCON RIDGE UNIT-2, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 438-440 OF THE PLAT RECORDS OF GUADALUPE COUNTY, TEXAS, SAME BEING THE SOUTHWESTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, N 28° 08' 53" W, LEAVING THE NORTHERLY RIGHT-OF-WAY LINE OF W. BORGFIELD ROAD, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 10.076 ACRE TRACT AND SAID FALCON RIDGE UNIT-2, A DISTANCE OF 338.24 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE POINT OF BEGINNING, OF THE HEREIN DESCRIBED TRACT;

THENCE, CONTINUING ALONG THE EASTERLY LINE OF SAID FALCON RIDGE UNIT-2, AND A PORTION OF THE EASTERLY LINE OF FALCON RIDGE UNIT-1, A SUBDIVISION OF RECORD IN VOLUME 6, PAGES 408-409 OF SAID PLAT RECORDS, BEING THE WESTERLY LINE OF SAID 10.076 ACRE TRACT AND THE WESTERLY LINE OF SAID 5.072 ACRE TRACT, THE FOLLOWING COURSES:

N 28° 08' 53" W, A DISTANCE OF 14.03 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 28° 52' 52" W, A DISTANCE OF 853.68 FEET TO A FOUND 1/2" IRON ROD MARKING AN INTERIOR CORNER OF SAID FALCON RIDGE UNIT-1, BEING THE NORTHWESTERLY CORNER OF SAID 5.072 ACRE TRACT AND HEREOF;

THENCE, N 62° 11' 41" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID FALCON RIDGE UNIT-1 AND SAID 5.072 ACRE TRACT, A DISTANCE OF 503.53 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" FOR THE NORTHEASTERLY CORNER HEREOF;

THENCE, S 26° 10' 24" E, ACROSS A PORTION OF SAID 5.072 ACRE TRACT AT A DISTANCE OF 101.73 FEET TO A FOUND 1/2" IRON ROD, MARKING THE NORTHWESTERLY CORNER OF THAT CERTAIN 13.359 ACRE TRACT CONVEYED TO ALICIA MARIE WILLOUGHBY ET AL. MARY RITA KARDYS - LIFE ESTATE BY DEED OF RECORD IN DOCUMENT NO. 201601122 OF SAID OFFICIAL PUBLIC RECORDS, AND CONTINUING ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, FOR A TOTAL DISTANCE OF 297.44 FEET TO A FOUND 1/2" IRON ROD CAP "4088";

THENCE, S 50° 59' 25" E, ALONG A PORTION OF THE COMMON BOUNDARY LINE OF SAID 5.072 ACRE TRACT AND SAID 13.359 ACRE TRACT, A DISTANCE OF 41.50 FEET TO A FOUND 1/2" IRON ROD MARKING THE SOUTHEASTERLY CORNER OF SAID 5.072 ACRE TRACT, BEING THE NORTHEASTERLY CORNER OF SAID 10.076 ACRE TRACT;

THENCE, S 23° 55' 08" E, ALONG A PORTION OF THE COMMON BOUNDARY OF SAID 13.359 ACRE TRACT AND SAID 10.076 ACRE TRACT, A DISTANCE OF 534.10 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE WESTERLY LINE OF SAID 13.359 ACRE TRACT, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

S 62° 17' 30" W, A DISTANCE OF 215.71 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 31° 19' 46" E, A DISTANCE OF 335.09 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 66.96 FEET, HAVING A RADIUS OF 279.50 FEET, A CENTRAL ANGLE OF 1° 14' 34", AND A CHORD BEARING AND DISTANCE OF S 24° 27' 59" E, 66.90 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 4.11 FEET, HAVING A RADIUS OF 28.00 FEET, A CENTRAL ANGLE OF 9° 02' 56", AND A CHORD BEARING AND DISTANCE OF S 22° 07' 40" E, 4.10 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING" IN THE NORTHERLY LINE OF THE AFOREMENTIONED 0.190 ACRE DEDICATION;

THENCE, S 60° 05' 00" W, ALONG THE NORTHERLY LINE OF SAID 0.190 ACRE DEDICATION, A DISTANCE OF 89.14 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

THENCE, LEAVING THE NORTHERLY LINE OF W. BORGFIELD ROAD, INTO AND ACROSS SAID 10.076 ACRE TRACT, THE FOLLOWING COURSES:

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 11.89 FEET, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 34° 12' 38", AND A CHORD BEARING AND DISTANCE OF N 05° 00' 51" W, 11.71 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

ALONG THE ARC OF A CURVE TO THE LEFT, WITH AN ARC LENGTH OF 34.78 FEET, HAVING A RADIUS OF 214.50 FEET, A CENTRAL ANGLE OF 09° 17' 28", AND A CHORD BEARING AND DISTANCE OF N 26° 41' 03" W, 34.74 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

N 31° 19' 46" W, A DISTANCE OF 339.20 FEET TO A SET 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "SHERWOOD SURVEYING";

S 62° 17' 30" W, A DISTANCE OF 178.23 FEET TO THE POINT OF BEGINNING AND CONTAINING 10.308 ACRES (449,001 SQ. FT.) OF LAND, MORE OR LESS.

SURVEYOR'S NOTES

- THE TRACT OF LAND SHOWN HEREON WAS NOT ABSTRACTED BY THE SURVEYOR.
- BEARINGS SHOWN HEREON ARE BASED ON NORTH AMERICAN DATUM OF 1983, TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, UTILIZING THE WDS STATEWIDE COOPERATIVE GPS NETWORK. DRAWING IS IN SURFACE, CONVERT TO GRID USING A COMBINED SCALE FACTOR OF 1.00015.
- THE SURVEYOR HAS MADE NO ATTEMPT TO LOCATE ABANDONED OR PLUGGED OIL AND GAS WELLS, OR ANY OTHER WELLS ON THE TRACT OF LAND SHOWN HEREON, NOR HAS THE SURVEYOR MADE ANY ATTEMPT TO RESEARCH SAME WITH THE RAILROAD COMMISSION OF TEXAS OR ANY OTHER STATE AGENCY; NOR HAS THE SURVEYOR INVESTIGATED ANY MINERAL OR ROYALTY INTERESTS IN THE TRACT OF LAND SHOWN HEREON.
- THE LOCATIONS OF UNDERGROUND UTILITIES SHOWN HEREON ARE BASED UPON VISIBLE SURFACE EVIDENCE OR MAPS SUPPLIED BY THE APPROPRIATE UTILITY COMPANIES OR MUNICIPALITIES. THE LOCATIONS OF UNDERGROUND UTILITIES/STRUCTURES MAY VARY FROM THE LOCATIONS SHOWN HEREON. ADDITIONAL BURIED UTILITIES/STRUCTURES MAY BE ENCOUNTERED. NO EXCAVATIONS WERE MADE IN THE PROCESS OF THE SURVEY TO LOCATE BURIED UTILITIES/STRUCTURES.
- ONLY THOSE COPIES WHICH BEAR AN ORIGINAL INK IMPRESSION SEAL OR EMBOSSED SEAL WILL BE CONSIDERED A "VALID" COPY. SHERWOOD SURVEYING & S.U.E. WILL NOT BE RESPONSIBLE FOR THE CONTENT OF ANYTHING OTHER THAN A VALID COPY OF THIS SURVEY.
- EVIDENCE OF RECENT CONSTRUCTION OR EARTHMOVING WAS OBSERVED AT THE TIME THE SURVEY WAS PERFORMED. WEST BORGFIELD ROAD UNDER CONSTRUCTION.
- VERTICAL DATUM FOR THIS PROJECT IS NAVD83, GPS DERIVED, UTILIZING THE WDS STATEWIDE COOPERATIVE GPS NETWORK.
- ALL MATTERS SHOWN ON RECORDED PLATS PROVIDED TO THE SURVEYOR ARE SHOWN ON THE SURVEY.
- SURVEYOR IS NOT AWARE OF ANY PROPOSED CHANGES IN STREET RIGHT OF WAY LINES.
- THERE WAS NO OBSERVED EVIDENCE OF SITE USE AS A SOLID WASTE DUMP, SLUMP, OR SANITARY LANDFILL AT THE TIME OF THE FIELD SURVEY.
- PER THE U.S. FISH & GAME GIS RESOURCE, THERE ARE NO PERCEIVED WETLANDS CROSSING OF AFFECTING THIS TRACT.



BENCHMARK LIST

VERTICAL DATUM FOR THIS PROJECT IS NAVD83, UTILIZING THE WDS STATEWIDE COOPERATIVE GPS NETWORK.

BENCHMARK 154: COTTON SPINDLE IN POWER POLE (AS SHOWN) ELEV=717.03'

BENCHMARK 152: CUT 'X' IN CONCRETE CURB (AS SHOWN) ELEV=720.41'

FLOOD INFORMATION

NO PORTION OF SHOWN 10.308 ACRE TRACT IS LOCATED WITHIN A 100-YEAR FLOOD ZONE BOUNDARY, AS DEFINED BY THE FLOOD INSURANCE RATE MAP FOR GUADALUPE COUNTY, TEXAS ON COMMUNITY PANEL NO. 48187C0230F, EFFECTIVE DATE NOVEMBER 02, 2007, AS PREPARED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

ZONING & SETBACK INFORMATION

THIS PROPERTY IS ZONED AS MULTIFAMILY RESIDENTIAL ("MF1") PER THE OFFICIAL ZONING MAP OF THE CITY OF CIBOLO, TX, DATED JANUARY 24, 2017.

BUILDING SETBACKS:
15' FRONT
10' REAR
10' SIDE

TITLE COMMITMENT INFORMATION

THIS SURVEY WAS PREPARED IN CONJUNCTION WITH THE TITLE COMMITMENT PROVIDED BY CHICAGO TITLE INSURANCE COMPANY, OF NO. 4713007118, ISSUED MARCH 22, 2017, EFFECTIVE DATE FEBRUARY 5, 2017, WITH THE FOLLOWING RESTRICTIONS AND EXCEPTIONS:

SCHEDULE "B"

10(A) RIGHTS OF TENANTS IN POSSESSION, AS TENETS ONLY, UNDER UNRECORDED LEASE AGREEMENTS.

10(B) DELETED

10(C) RIGHT-OF-WAY FOR A WATER PIPE LINE ACROSS AND OVER SUBJECT PROPERTY RESERVED IN VOLUME 294, PAGE 399, DEED RECORDS, GUADALUPE COUNTY, TEXAS, (SUBJECT TO - BLANKET EASEMENT)

10(D) RIGHT-OF-WAY EASEMENTS TO GUADALUPE VALLEY ELECTRIC COOPERATIVE, INC. RECORDED IN VOLUME 1039, PAGE 874, AND IN VOLUME 1255, PAGE 242, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS. (EASEMENTS NOT DEFINED)

10(E) RULES, REGULATIONS AND FEES OF CIBOLO CREEK MUNICIPAL AUTHORITY, PROVIDED BY INSTRUMENTS RECORDED IN VOLUME 800, PAGE 251 AND VOLUME 294, PAGE 841, OFFICIAL PUBLIC RECORDS, GUADALUPE COUNTY, TEXAS.

10(F) A 1/16 NON-PARTICIPATING ROYALTY INTEREST IN AND TO ALL OIL, GAS AND OTHER MINERALS, AND ALL RIGHTS INCIDENT THERETO, CONTAINED IN INSTRUMENT DATED FEBRUARY 26, 1946, RECORDED APRIL 22, 1946 IN VOLUME 214, PAGE 530, OF THE DEED RECORDS OF GUADALUPE COUNTY, TEXAS, REFERENCE TO WHICH INSTRUMENT IS HERE MADE FOR PARTICULARS. NO FURTHER SEARCH OF TITLE HAS BEEN MADE AS TO THE INTEREST(S) EVIDENCED BY THIS INSTRUMENT, AND THE COMPANY MAKES NO REPRESENTATION AS TO THE OWNERSHIP OR HOLDER OF SUCH INTEREST(S).

10(G) WELLS SHOWN HEREON.

SURVEYOR'S CERTIFICATION

TO BANK OF AMERICA, N.A., AS LENDER, BORGFIELD HOUSING LP, A TEXAS LIMITED PARTNERSHIP, AS BORROWER, AND CHICAGO TITLE INSURANCE COMPANY, AS TITLE INSURANCE COMPANY:

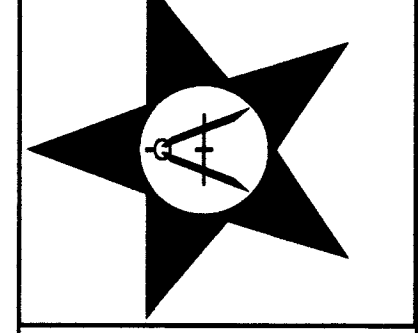
THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2016 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/NSPS LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(a)(b), 7(a)(b), 8, 9, 10(a), 11, 13, 14, 16, 17, 18, 19 AND 20 OF TABLE THEREOF. THE FIELD WORK WAS COMPLETED ON 3/15/17.

DATE OF PLAT OR MAP: 4/10/17

Richard A. Goodwin
RICHARD A. GOODWIN
REGISTERED PROFESSIONAL LAND SURVEYOR NO. 4069

REVISIONS
- (4/4/17) COMMENTS
FROM CLIENT
- (4/10/17) ADDRESS TYPO
CHANGED "BORGFIELD" TO "BORGFIELD" IN CERT.

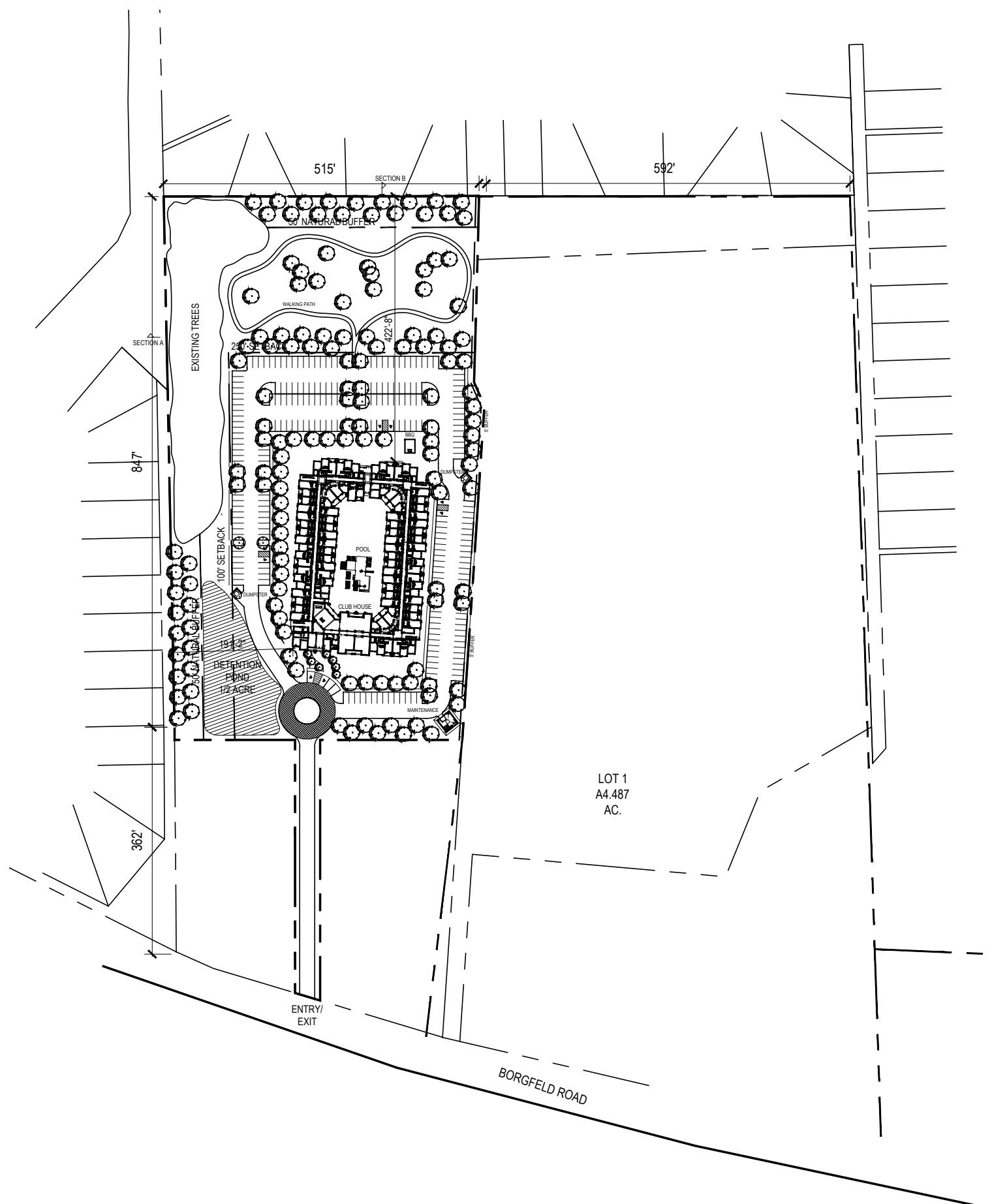
SHERWOOD SURVEYING & S.U.E.
UTILITIES | RESIDENTIAL | COMMERCIAL | INDUSTRIAL
SPRINGS BRANCH, TEXAS 77707
PHONE (830) 228-5788 FAX (830) 865-2170



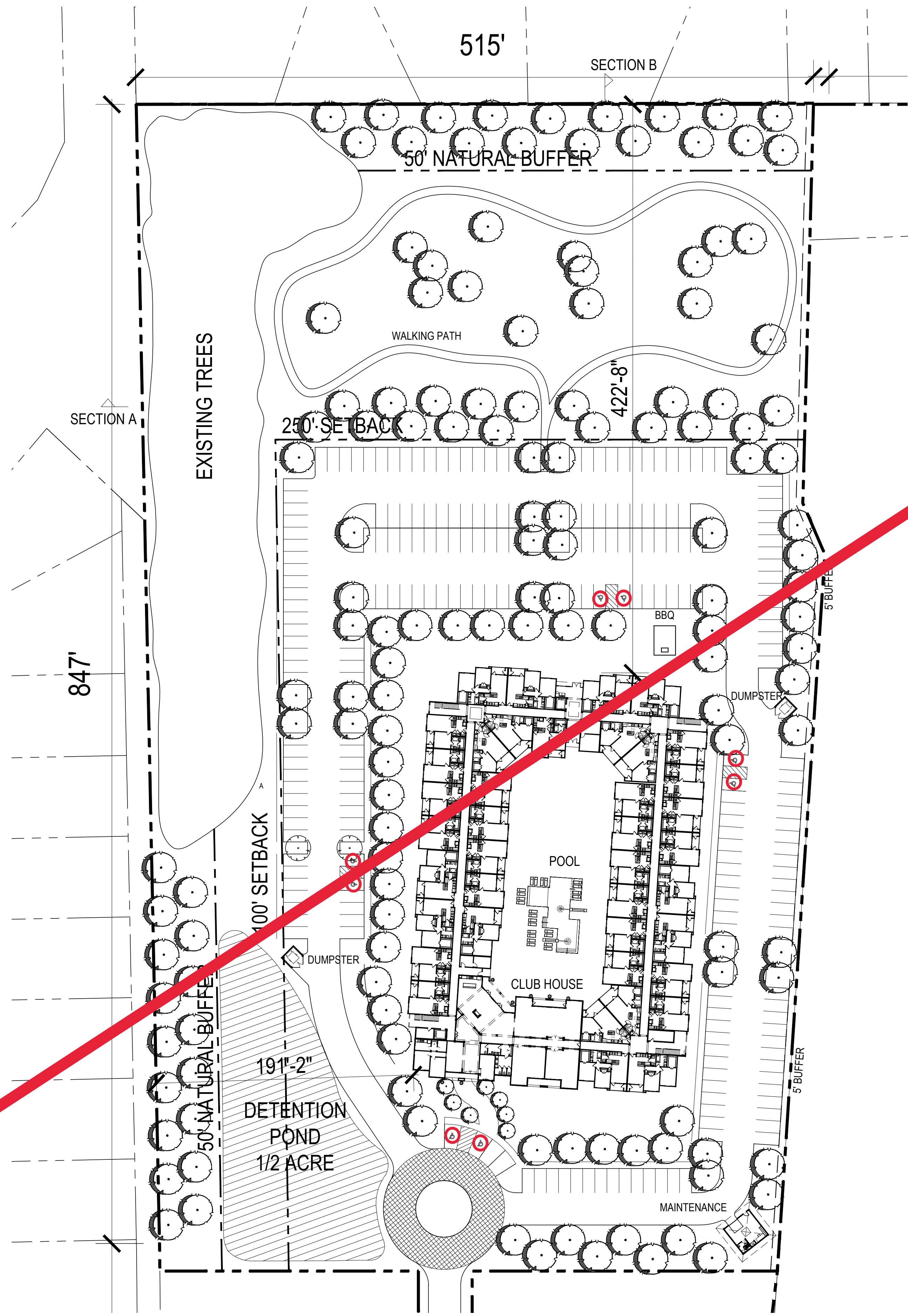
HP CIVIL ENGINEERING

ALTA/NSPS LAND TITLE SURVEY
10.308 ACRES
BORGFIELD ROAD, CIBOLO, TX

DESIGNED BY:
CHECKED BY:
DRAWN BY: CTE
JOB: 16MS051
DATE: 4-10-2017
SCALE: 1" = 100'
SHEET: 1



VICINITY MAP



ARCHITECTURAL SITE PLAN

BORGFELD MANOR						BORGFELD HOUSING LP		2016032
UNIT TABULATION: 3-STORY SENIOR LIVING								
UNIT NAME	UNIT TYPE	NET AREA(SF)	UNIT COUNT	PERCENTAGE	TOTAL AREA	% BREAKDOWN		
A1	1br/1ba	675	77	56.62%	51,975	72.79%		
A2	1br/1ba	675	22	16.18%	14,850			
B1	2br/1ba	900	37	27.21%	33,300	27.21%		
TOTALS			136	100.00%	100,125			

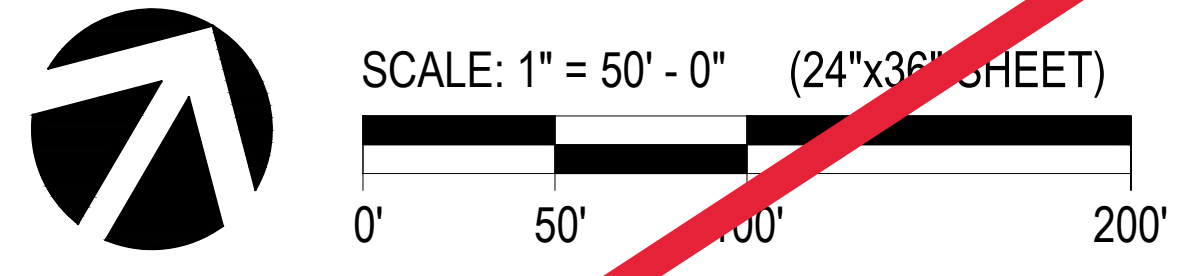
UNIT AVERAGE NET SF : **736**
 * NET AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM EXTERIOR FACE OF ALL EXTERIOR FRAME WALLS THAT ENCLOSE A/C SPACE. IT DOES NOT INCLUDE PATIOS, BALCONIES, PATIO/BALCONY STORAGE.

PROJECT DATA

UNIT AVERAGE NET SF	736 S.F.
ACREAGE:	10.09 ACRES
DENSITY:	13.48 UNITS/ACRE
PARKING	
REQUIRED	235 SPACES
PROVIDED	240 SURFACE SPACES
	1.76 SPACES/UNIT

NOTES

1. THIS SITE PLAN, AS SHOWN, WAS PREPARED TO ADHERE TO ALL APPLICABLE ZONING, SITE DEVELOPMENT AND BUILDING CODE ORDINANCES.
2. FLOOD ZONE
 ZONE "X" AREA OF MINIMAL FLOOD HAZARD
 MAP #48187C0230F REVISED NOVEMBER 27, 2007
3. AS REQUIRED BY TDHCA, AND IN ACCORDANCE WITH THE DEPARTMENT'S RULES, ASPECTS OF THE DEVELOPMENT MAY BE SUBJECT TO CHANGE INCLUDING BUT NOT LIMITED TO CHANGES IN THE AMENITIES ULTIMATELY SELECTED AND PROVIDED.



A 201

BORGFELD MANOR
BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



HUMPHREYS & PARTNERS ARCHITECTS L.P.

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www.humphreys.com marketing@humphreys.com

DALLAS CHICAGO NEW YORK NEWPORT BEACH NEW ORLEANS ORLANDO SAN RAMON SCOTTSDALE TORONTO EDMONTON MONTEVIDEO DUBAI HANOI

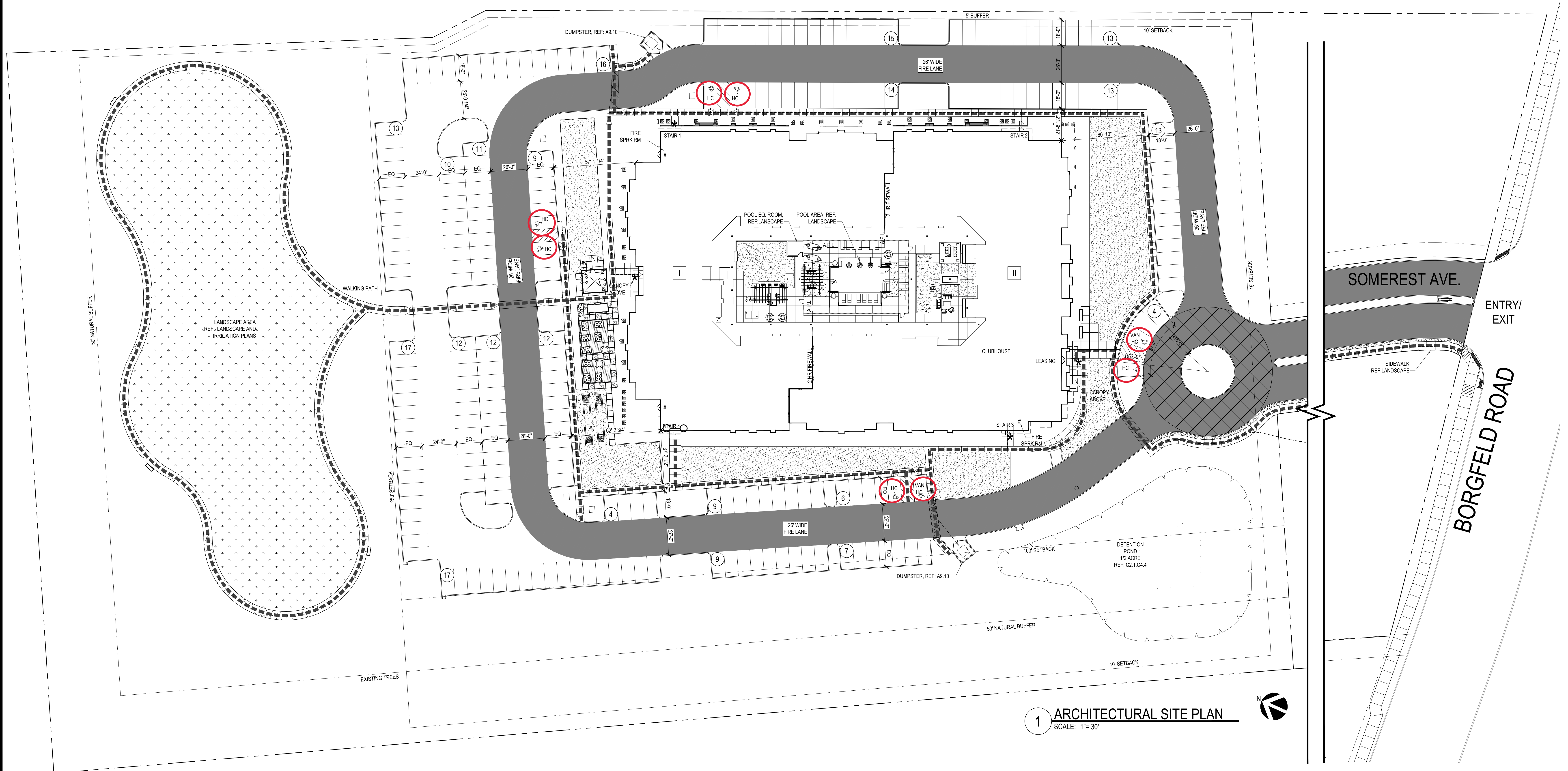
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 Architectural conceptual site plans are for feasibility purpose only. Revisions may occur due to further investigation from regulatory authorities and building code analysis. Dimensions shown are of a strategic intent only. Refer to surveys and civil drawings for technical information and measurements.

Site plan showing accessible routes.

SYMBOL LEGEND - SITE		FIRE DEPARTMENT NOTES	
	PROPERTY LINE	1.	FIRE APPARATUS ACCESS IS REQUIRED TO BE UNOBSTRUCTED, NOT LESS THAN 25'-0" IN WIDTH, 14'-0" CLEAR HEIGHT.
	EASEMENT & SETBACK LINE	2.	SIGNAGE PACKAGE TO BE DESIGN BUILD.
	ASSUMED PROPERTY LINE (A.P.L.)	3.	FIRE DEPARTMENT CONNECTION HAS BEEN COORDINATED IN THE PLUMBING PLANS.
	SIDEWALK, REF. CIVIL & LANDSCAPE	4.	FIRE LANE STRIPING, PLAQUES, AND/OR SIGNAGE SHALL MEET LOCAL FIRE DEPARTMENT REQUIREMENTS.
	ACCESSIBLE ROUTE	5.	WHERE REQUIRED BY CODE, BUILDINGS ARE TO BE PROVIDED WITH AN AUTOMATIC SPRINKLER SYSTEM PER NFPA 13.
	26'-0" WIDE FIRE LANE FIRELANE-SEGMENTED STRIPE TO BE PAINTED SW 7582 ON HORIZONTAL SURFACE NEXT TO CURB, FIRE DEPT. APPROVED SIGN TO BE LOCATED 75' O.C. MAX.	6.	STANDPIPES REQUIRED AS SHOWN ON CIVIL AND PLUMBING DRAWINGS.
	BUILDING TYPE	7.	FIRE SPRINKLER SYSTEMS ARE DESIGN BUILD. REQUIREMENTS TO BE CONFIRMED BY CONTRACTOR.
	NUMBER OF PARKING SPACES PER BAY	8.	FIRE DEPARTMENT APPROVED KNOX BOXES SHALL BE PROVIDED AT AREAS WHERE REQUIRED BY THE FIRE DEPARTMENT. CONTRACTOR TO CONFIRM NUMBER AND LOCATIONS WITH LOCAL FIRE INSPECTOR PRIOR TO INSTALLATION.
	HANDICAPPED PARKING SPACE	9.	NO FIXED OR MOVING GATE SECTION SHALL INTERFERE WITH MINIMUM FIRE DEPT. ACCESS WIDTH, TURNING RADIUS OR OTHERWISE IMPEDE APPARATUS MOVEMENT OR USE OF FIRE HYDRANTS ETC.
	TYPE ADA UNIT	SITE NOTES 1. THIS SITE PLAN IS FOR REFERENCE ONLY. REFER TO CIVIL FOR SITE DIMENSIONAL CONTROL. 2. REFER TO CIVIL AND LANDSCAPE DRAWINGS FOR SIDEWALKS AND ACCESSIBLE ROUTE THROUGHOUT SITE, FENCING, GATE LOCATIONS AND DETAILS. 3. REFER TO CIVIL, MEP, AND LANDSCAPE FOR ELECTRICAL TRANSFORMER LOCATIONS. 4. DEVELOPMENT AND USE OF THIS SITE MUST CONFORM WITH ALL APPLICABLE CODES AND ORDINANCES. 5. ALL NEW OR RELOCATED UTILITIES WILL BE PLACED UNDERGROUND UNLESS NOTED OTHERWISE. 6. ALL SERVICE AREAS SHALL BE SCREENED TO CONCEAL TRASH CONTAINERS, GAS METERS, LOADING DOCKS, TRANSFORMERS, BACKFLOW PREVENTERS AND OTHER MECHANICAL OR ELECTRICAL EQUIPMENT FROM EYE LEVEL ADJACENT TO ALL PUBLIC STREETS. 7. REFER TO SHEET A1.02 FOR PARKING TABULATIONS. 8. REFER TO SHEET BUILDING PLANS. 9. ANY LIGHTING WILL BE PLACED SO AS TO DIRECT LIGHT AWAY FROM ADJACENT PROPERTIES AND WILL NOT EXCEED ONE FOOT CANDLE AT THE PROPERTY LINE, UNLESS REQUIRED BY LOCAL ORDINANCE TO BE MORE. NO NOISE, ODOR OR VIBRATION WILL BE EMITTED AT ANY LEVEL EXCEEDING THE GENERAL LEVEL OF NOISE, ODOR OR VIBRATION EMITTED BY USES IN THE AREA OUTSIDE OF THE SITE. 10. OWNERS OF PROPERTY ADJACENT TO PUBLIC RIGHTS-OF-WAY SHALL HAVE RESPONSIBILITY FOR MAINTAINING ALL LANDSCAPING LOCATED IN THE RIGHTS-OF-WAY, IN ACCORDANCE WITH APPROVED PLANS. 11. AFTER FINAL APPROVAL THE PROJECT WILL BE INSPECTED FOR ZONING COMPLIANCE DURING CONSTRUCTION AND PRIOR TO OCCUPANCY. THE CONTRACTOR IS TO NOTIFY THE GOVERNING AUTHORITY PRIOR TO OCCUPANCY TO ARRANGE FOR INSPECTIONS. 12. BARBED, RAZOR, OR CONCERTINA WIRE (OR SIMILAR) SHALL NOT BE USED ON THIS SITE WHERE VISIBLE FROM PUBLIC STREETS OR ADJACENT RESIDENTIAL AREAS. 13. SIDEWALK SLOPES SHALL NOT EXCEED 5%, CROSS SLOPES NOT TO EXCEED 2% (REF. CIVIL).	
	ACCESSIBLE ENTRY		
	FSRR LOCATION REFER TO MEP & CIVIL PLANS	LEGEND NOTES UPDATED PER INTERNAL COMMENTS. OVERLAPPED GRAPHIC REMOVED. SITE BASE FILES UPDATED.	
	DENOTES LOCATION FOR HEARING AND VISUALLY IMPAIRED UNITS		

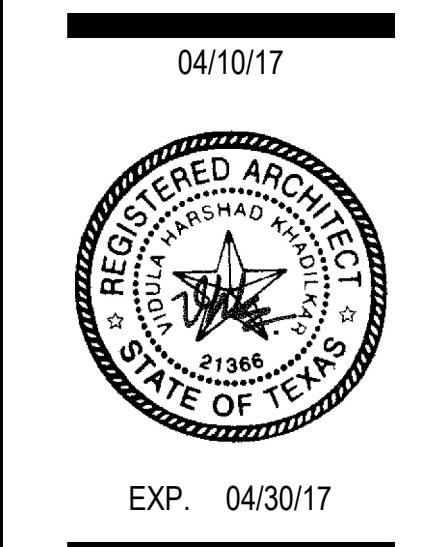
Designed by:	MS	
Drawn by:	VK	
Architect of Record:	VK	
Date Plotted:	04/10/17	
Issue for Pricing/Bidding:	11/10/16	
Issue for Permit Application:	11/10/16	
Issue for Construction:	XXXXXX	
Revisions:		
#	DATE	COMMENTS
A	02-07-17	ADDENDUM A
C	04-10-17	ADDENDUM C

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1 ARCHITECTURAL SITE PLAN
 SCALE: 1"= 30'

BORGFELD MANOR APARTMENTS
 206 W. BORGFELD ROAD
 CIBOLO, TX 78108
BORGFELD HOUSING



HUMPHREYS & PARTNERS ARCHITECTS, L.P.
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SHEET CONTENTS:
 ARCHITECTURAL SITE PLAN
 SHEET NO. **A1.01**
 15032

ABBREVIATIONS

Table of abbreviations and their corresponding full names, such as A.V.C. ALTERNATE, A.F.F. ABOVE FINISH FLOOR, etc.

GENERAL NOTES

- 1. ALL STUD WALLS ARE DIMENSIONED 3 1/2" (ACTUAL) U.N.O.
2. THE UNIT SEPARATION IS DIMENSIONED 8" (1/2" + 1" AIR SPACE + 3 1/2") FRAME TO FRAME UNLESS OTHERWISE NOTED.
3. UNIT-TO-UNIT ASSEMBLIES MEET THE FOLLOWING: FLOOR/CILING ASSEMBLIES ARE RATED AT STC 50 MIN. (EST.), WALLS SEPARATING UNITS ARE RATED AT STC 50 MIN. (EST.) AS REQUIRED BY CODE.

CONSTRUCTION NOTES

- 1. THE CONTRACTOR SHALL EXAMINE AND BECOME FAMILIAR WITH ALL CONTRACT DOCUMENTS IN THEIR ENTIRETY. SURVEY THE PROJECT AND BECOME FAMILIAR WITH THE EXISTING CONDITIONS AND SCOPE OF WORK. ALL COSTS SUBMITTED SHALL BE BASED ON THOROUGH KNOW-LEDGE OF ALL WORK AND MATERIALS REQUIRED.
2. ALL CONSTRUCTION SHALL COMPLY WITH ALL APPLICABLE FEDERAL, LOCAL, AND STATE CODES AND AMENDMENTS
3. ALL SITE WORK AND LANDSCAPING IS TO BE ESTABLISHED AND DESIGNED BY ARCHITECT AND LANDSCAPE ARCHITECT

CODE SUMMARY

Table showing applicable codes in effect for the City of Cibola (Guadalupe County), Texas, including Building Code, Mechanical Code, Plumbing Code, and Electrical Code.

BUILDING - CODE SUMMARY

Table for occupancy classification and construction type, showing Apartment: B, Leasing Office: A-3, and Clubhouse: A-3.

AUTOMATIC FIRE ALARM AND SPRINKLER SYSTEM
AN AUTOMATIC SPRINKLER SYSTEM INSTALLED IN ACCORDANCE WITH SECTION 903.3.1.1 SHALL BE PROVIDED THROUGHOUT THE BUILDING WITH A GROUP R FIRE AREA.

Table comparing Allowable Building Area and Actual Building Area across different floor levels and gross areas.

*GROSS AREA IS COMPUTED TO INCLUDE SQUARE FOOTAGE FROM THE EXTERIOR FACE OF ALL EXTERIOR FRAME WALLS INCLUDING STARWELLS, BALCONIES, PORCHES, MECHANICAL CLOSETS AND CHASES. IT DOES NOT INCLUDE BRICKSTONE VENEER AND COURTYARDS.

NON-SEPARATED USES:
THE BUILDING SHALL COMPLY WITH THE APPLICABLE PORTIONS OF SECTION 508.3. MIXED USE OCCUPANCIES, NON-SEPARATED OCCUPANCIES, NON-SEPARATION IS REQUIRED BETWEEN NON-SEPARATED OCCUPANCIES.

FIRE WALLS
BUILDING SEPARATION: 2 HOUR WALL BETWEEN FIRE AREA 1 & 2 SEPARATING THE BUILDING.

ACCESSIBILITY REQUIREMENT:
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 18 SECTION 504 OF THE REHABILITATION ACT OF 1973 AND THE FAIR HOUSING ACT REQUIRE MULTIFAMILY HOUSING TO HAVE A MINIMUM OF 5% OF THE UNITS THAT ARE FULLY ACCESSIBLE AND AN ADDITIONAL 2% THAT ARE ACCESSIBLE TO PERSONS WITH VISUAL AND HEARING IMPAIRMENTS.

REQUIREMENTS FOR EXISTING: EXITS MUST BE ONE THIRD THE DISTANCE OF THE MAXIMUM DIAGONAL DISTANCE OF THE AREA SERVED BY SPRINKLER PER SECTION 1007.1.1. EXCEPTION#2: SEE EGRESS SHEETS A102 &c.

EXIT WIDTHS
THE WIDTH OF STAIRWAYS SHALL BE DETERMINED AS SPECIFIED IN SECTION 1005.1.1. BUT SUCH WIDTH SHALL NOT BE LESS THAN 44 INCHES (1180 MM), SECTION 1011.2 EXCEPTION 1: STAIRWAYS SERVING AN OCCUPANT LOAD OF 50 OR LESS SHALL HAVE A WIDTH OF NOT LESS THAN 36 INCHES (914 MM).

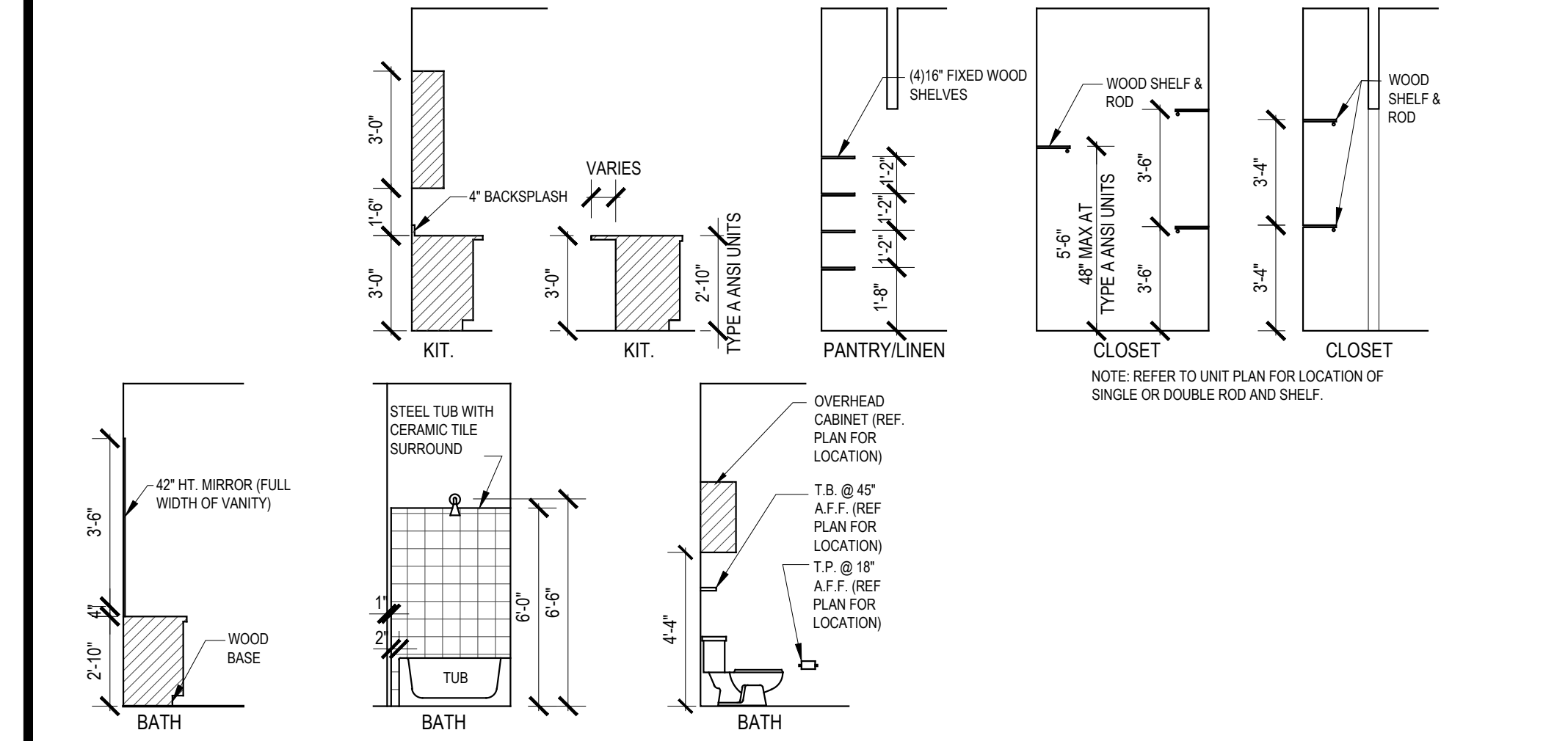
STAIRS
PER SECTION 1023, ENCLOSURES FOR INTERIOR EXIT STAIRWAYS SHALL BE CONSTRUCTED AS FIRE BARRIERS PER SECTION 707 AND 711.

ACCESSIBILITY REQUIREMENT:
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS CHAPTER 18 SECTION 504 OF THE REHABILITATION ACT OF 1973 AND THE FAIR HOUSING ACT REQUIRE MULTIFAMILY HOUSING TO HAVE A MINIMUM OF 5% OF THE UNITS THAT ARE FULLY ACCESSIBLE AND AN ADDITIONAL 2% THAT ARE ACCESSIBLE TO PERSONS WITH VISUAL AND HEARING IMPAIRMENTS.

FOR 136 TOTAL UNITS, 7 UNITS (5%) NEED TO BE ACCESSIBLE AND 3 UNITS (2%) NEED TO BE WITH COMMUNICATION FEATURES.
PROVIDED: (5) ONE BEDROOM UNITS AND (2) TWO BEDROOM ACCESSIBLE UNITS
(2) ONE BEDROOM AND (1) TWO BEDROOM UNITS WITH COMMUNICATION FEATURES.

PARKING REQUIREMENT
REQUIRED PARKING PER UNIFORM DEVELOPMENT CODE OF CITY OF CIBOLA:
1.5 SPACES PER 1 BEDROOM
2 SPACES PER 2 BEDROOM
PLUS 5% OF TOTAL NUMBER OF REQUIRED SPACES.
TOTAL SPACES REQUIRED= 234
TOTAL SPACES PROVIDED= 237
ACCESSIBLE PARKING REQUIRED= 2% OF THE PROVIDED PARKING (1106.24= 5) INCLUDING 1 VAN ACCESSIBLE.

TYPICAL INTERIOR PROFILES AND NOTES



ACCESSIBILITY COMPLIANCE NOTES

ALL DWELLING UNITS MUST MEET THE REQUIREMENTS SET FORTH IN THE ACCESSIBILITY CODE FOR TYPE 'B' DWELLING UNITS AND THE FEDERAL FAIR HOUSING ACT. IN ADDITION, 5% OF THE TOTAL NUMBER OF UNITS PROVIDED MUST MEET THE REQUIREMENTS SET FORTH BY 2010 ADA AND 2% OF THE TOTAL NUMBER OF UNITS PROVIDED MUST MEET THE HEARING AND VISUAL IMPAIRMENT REQUIREMENTS. REFER TO SHEET A103 FOR ADDITIONAL ACCESSIBILITY NOTES AND DIAGRAMS. SEE SHEET A4-11-A4-13 FOR LOCATIONS.

ACCESSIBLE ROUTES THROUGHOUT THE SITE:
WHEN A BUILDING, OR PORTION OF A BUILDING, IS REQUIRED TO BE ACCESSIBLE OR ADAPTABLE, AN ACCESSIBLE ROUTE OF TRAVEL SHALL BE PROVIDED TO ALL PORTIONS OF THE BUILDING, TO ACCESSIBLE BUILDING ENTRANCES AND BETWEEN BUILDINGS AND THE PUBLIC WAY. REFER TO THE CIVIL ENGINEER'S AND/OR LANDSCAPE ARCHITECT'S PLANS FOR ALL ACCESSIBLE ROUTES ON THE SITE AND THE APPLICABLE REQUIREMENTS INCLUDING BUT NOT LIMITED TO SIGNAGE, CURB RAMP, CROSS SLOPE, WIDTH OF ROUTE, ETC.

BUILDINGS, MAIL SERVICES, TRASH REFUSE AREAS, RECREATIONAL AREAS, SWIMMING POOLS, ETC. SHALL BE READILY ACCESSIBLE TO AND USABLE BY PEOPLE WITH DISABILITIES. REFER TO SHEET A104 FOR ADDITIONAL NOTES AND DIAGRAMS. THE FAIR HOUSING ACT DESIGN MANUAL IS BEING INCLUDED AS PART OF THE PROJECTS CONTRACT DOCUMENTS AND IS BEING ISSUED UNDER SEPARATE COVER.

UNIT TABULATIONS

Table showing unit tabulations with columns for Unit, Unit Type, OCC, Unit Net Area, Unit Count, Bed Count, Total Net Area, and Percent.

PARKING TABULATIONS

Table showing car parking provided and required, including surface regular, surface accessible, and surface van accessible spaces.

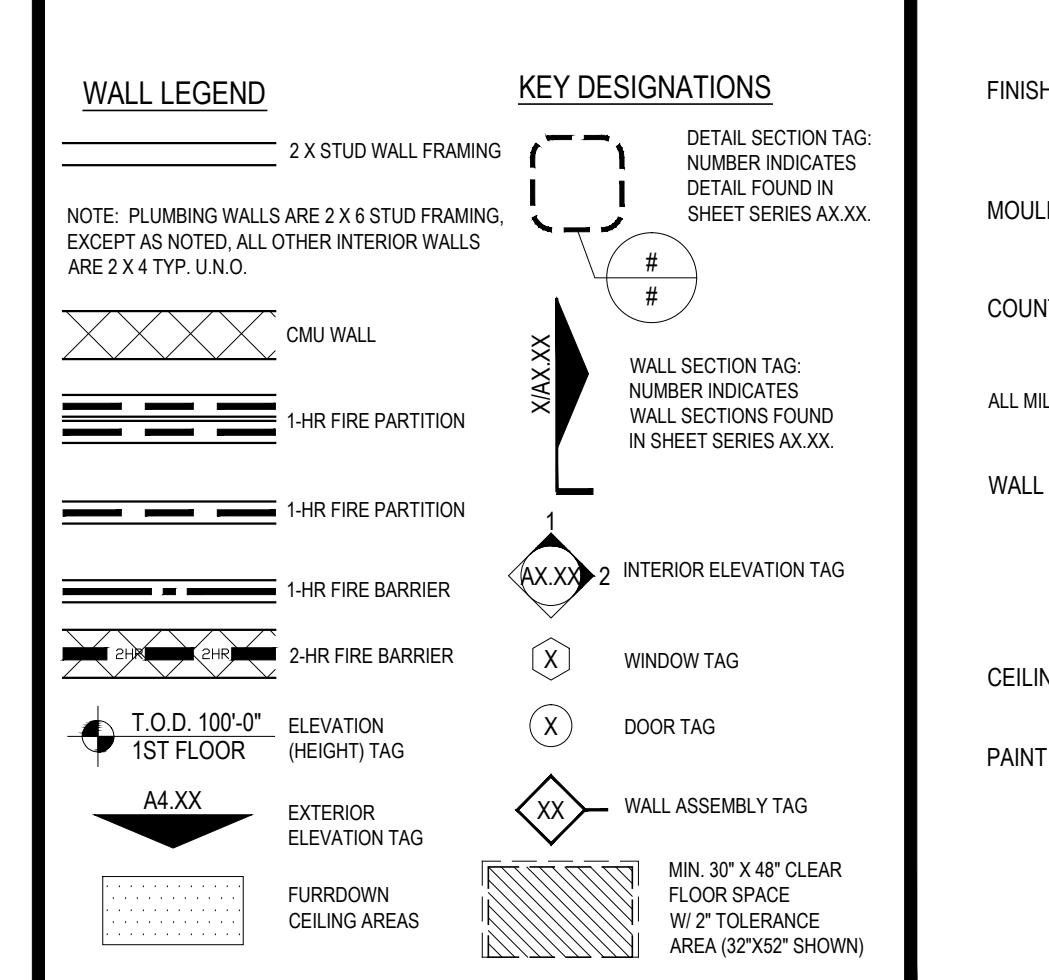
BUILDING EFFICIENCY

Table showing building efficiency metrics for first, second, and third floors, including rentable area, s.f. gross area, and total eff. for bldg.

ABBREVIATION SYMBOLS

- & AND ANGLE
@ AT
< CENTERLINE
o DEGREE
-/- DRAWING CUT LINE
= EQUAL
HT, J.F. LOCATION
FEET OR MINUTES
NCH OR SECONDS
PLATE
+ PLUS OR MINUS
POUND OR NUMBER
: RATIO
- ROUND
square or sq. FOOT

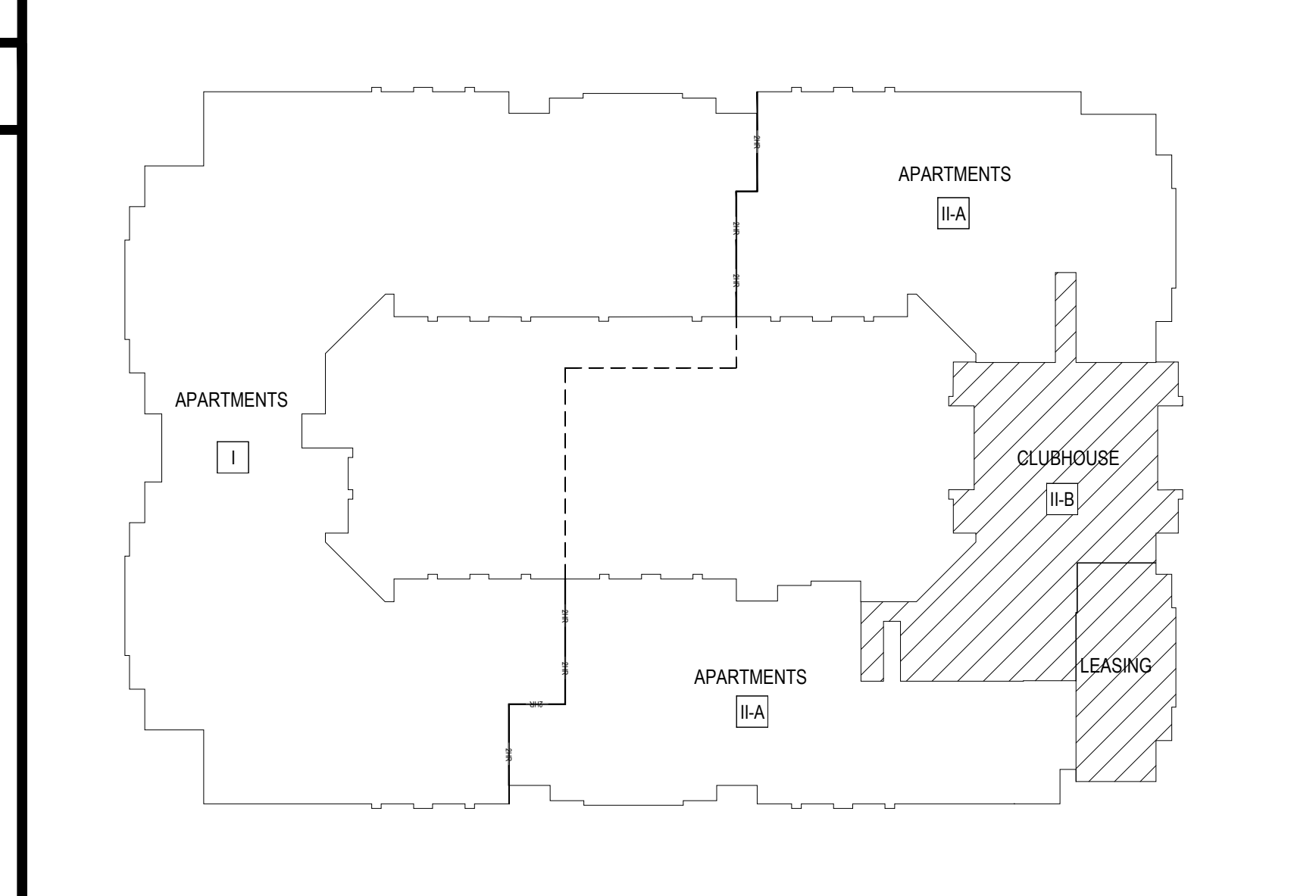
LEGEND



ROOM FINISH SCHEDULE

- FINISH FLOOR: C- CARPET V- VINYL T- TILE
MOULDING: BASE MOULDING & DOOR MOULDING AS SPECIFIED. REFER TO UNIT PLANS FOR CROWN MOULDING LOCATIONS.
COUNTERTOPS: GRANITE SLAB WITH 4" BACKSPRASH AT KITCHEN CULTURED MARBLE WITH INTEGRAL SINK AT BATHROOM
ALL MILLWORK TO BE FACTORY FINISHED.

FIRE AREA DIAGRAM



Designed by: MS
Architect of Record: VK
Date Plotted: 04/17/17
Issue for Pricing / Bidding: 11/10/16
Issue for Permit Application: 11/10/16
Issue for Construction: XXXXXX
Revisions table with columns for #, DATE, and COMMENTS.

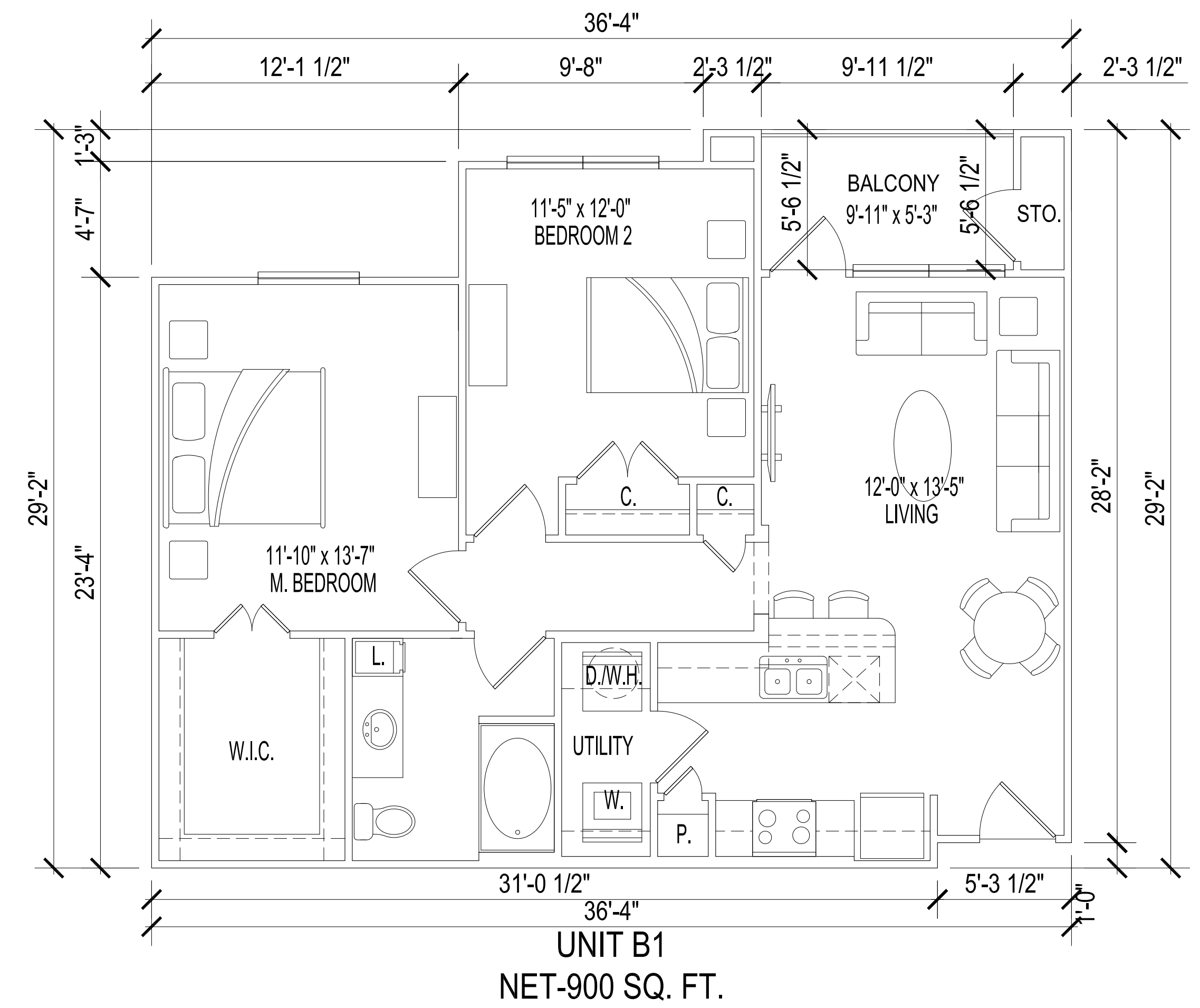
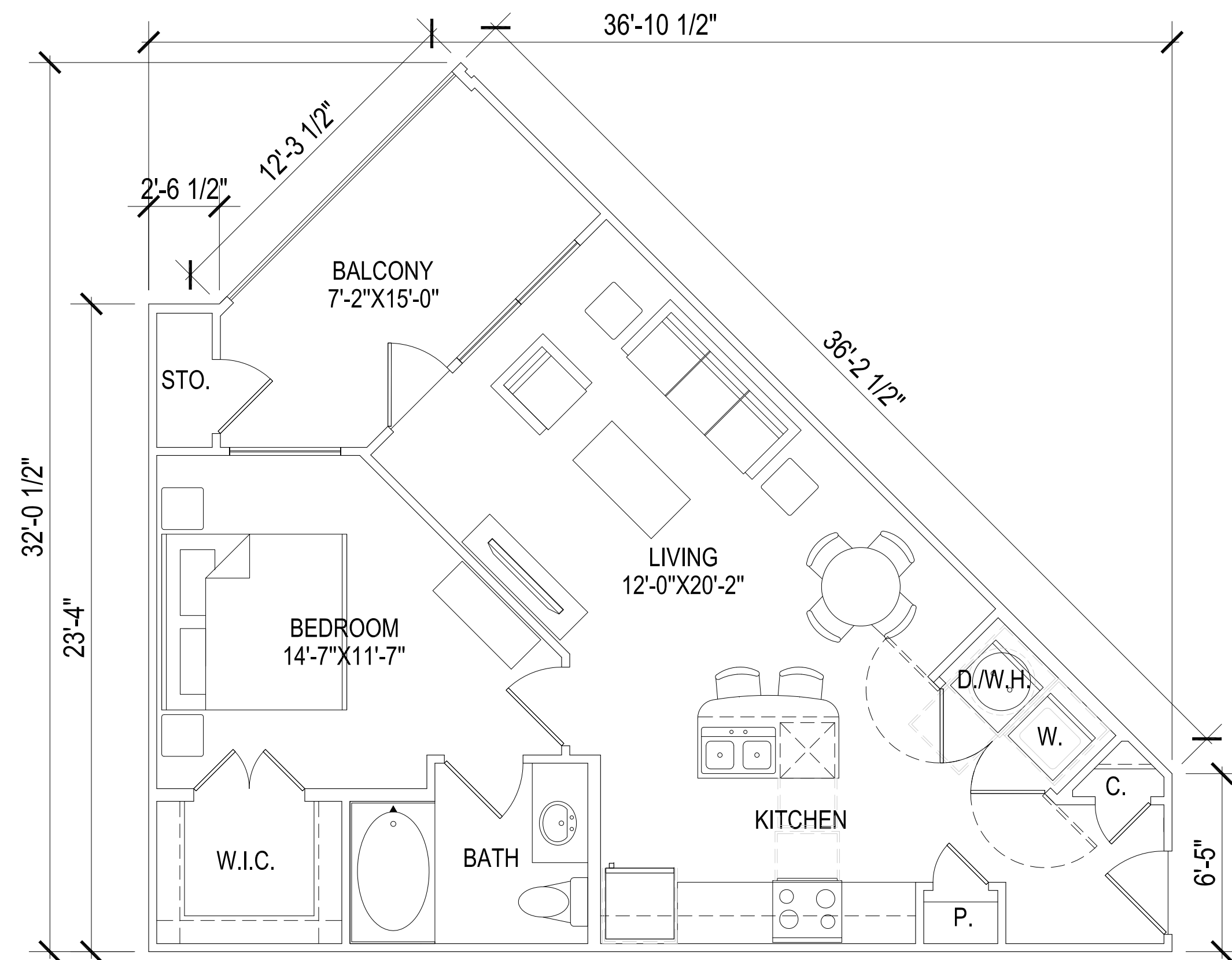
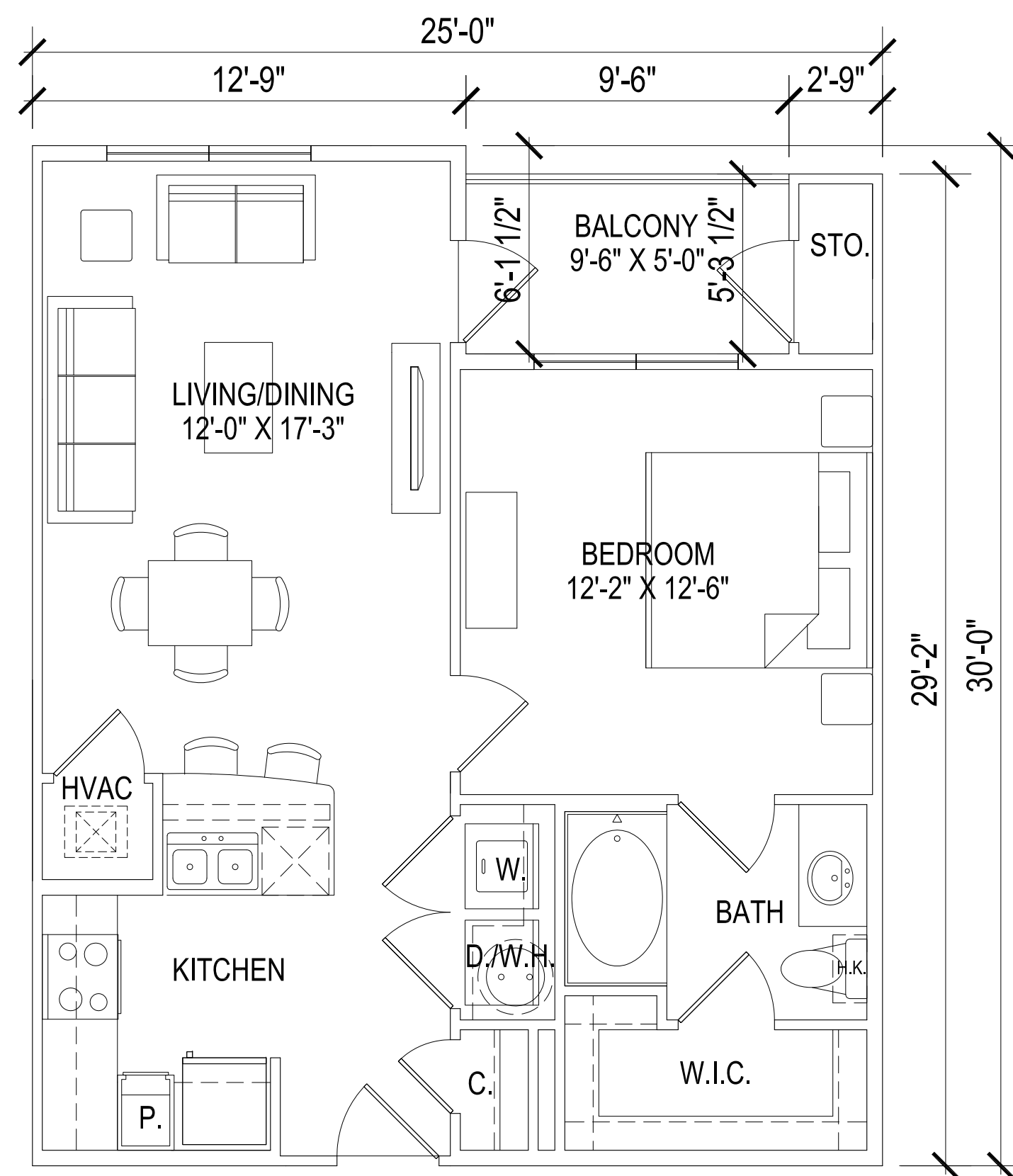
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BORGFIELD MANOR APARTMENTS
206 W. BORGFIELD ROAD
CIBOLA, TX 78108
BORGFIELD HOUSING

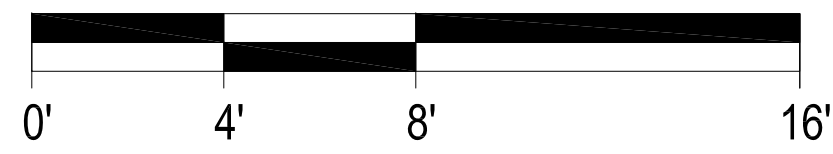
Professional seal for Humphreys & Partners Architects, L.P., State of Texas, No. 13885. EXP. 04/30/17

HUMPHREYS & PARTNERS ARCHITECTS, L.P.
5339 ALPHA ROAD - SUITE 300 - DALLAS, TEXAS 75240
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DALLAS - CHICAGO - NEW ORLEANS - NEW YORK - NEWPORT BEACH - ORLANDO - SAN RAMON - SCOTTSDALE - EDMONTON - TORONTO - MONTEVIDEO

SHEET CONTENTS:
General Notes, Codes & Tabulations
SHEET NO.
A1.02
15032



SCALE: 1/4" = 1'-0" (24"x36" SHEET)



UNITS

A 301

BORGFELD MANOR
BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



HUMPHREYS & PARTNERS ARCHITECTS L.P.

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DALLAS CHICAGO NEW YORK NEWPORT BEACH NEW ORLEANS ORLANDO SAN RAMON SCOTTSDALE
TORONTO EDMONTON MONTEVIDEO DUBAI HANOI

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Architectural conceptual site plans are for feasibility purpose only. Revisions may occur due to further investigation from regulatory authorities and building code analysis. Dimensions shown are of a strategic intent only. Refer to surveys and civil drawings for technical information and measurements.

NOTE REVISION PER INTERNAL AND ACCESSIBILITY COMMENTS

SYMBOL LEGEND - UNIT PLANS

SYMBOL LEGEND - UNIT PLANS. Includes symbols for WINDOW TAG SYMBOL, DOOR TAG SYMBOL, REFERENCE TAG, INTERIOR ELEVATION SYMBOL, PARTITION WALL TAG, FLOORING TRANSITION TAG, CLEAR FLOOR SPACE WITH 2" TOLERANCE AREA, FURREDOWN FOR DEPTH, VINYL FLOORING, and various equipment abbreviations like AHU, CO, D, DW, KS, MC, SH, SR, SRO, T, TP, TR, V, W, WH, WS, P, L, #S, 1R1S, 2R2S.

GENERAL UNIT NOTES

- 1. REFER TO MEPPINGS FOR LOCATION OF SMOKE & FIRE DETECTORS.
2. REFER TO SHEET A1.02 FOR ABBREVIATIONS AND GENERAL PROJECT NOTES.
3. REFER TO SHEET A1.02 FOR TYPICAL INTERIOR ELEVATION PROFILES & NOTES.
4. REFER TO SHEET A1.02 FOR TYPICAL WALL & CEILING ASSEMBLIES.
5. REFER TO SHEET A2.01 FOR DOOR SCHEDULE & DETAILS.
6. ALL INTERIOR DOORS SHALL ALLOW 1/2" AIRFLOW FOR RETURN AIR AT BOTTOM OF DOOR.
7. REFER TO SHEET A2.02 FOR WINDOW SCHEDULE & DETAILS.
8. ALL EXTERIOR WINDOWS SHALL MEET ALL FEDERAL, STATE AND ANY LOCAL GLAZING STANDARDS AND SLIDING GLASS DOORS SHALL HAVE PIN LOCKS OR CHARLEY BARS.
9. PER IBC-2015 TABLE 1006.3.2(1), STORIES PERMITTED TO HAVE A SINGLE EXIT ARE ALSO REQUIRED TO HAVE EMERGENCY ESCAPES OPENINGS. AS REQUIRED BY SECTION 1030, EMERGENCY ESCAPES OPENINGS TO BE PROVIDED IN BEDROOMS SHALL HAVE A MINIMUM OF ONE OPENING WITH 20" NET CLEAR WIDTH, 24" NET CLEAR HEIGHT, 5.7 SQ. FT. NET CLEAR OPENABLE AREA AND SHALL BE AT MAXIMUM FROM FINISH FLOOR TO TOP OF SILL.
10. REFER TO BUILDING PLANS FOR WALL TYPES.
11. FOR DIMENSIONING PURPOSES, TYPICAL STUD WALLS ARE DIMENSIONED AS 5 1/2" THICK AND PLUMBING WALLS AS 5 1/2" THICK.
12. REFER TO STRUCTURAL DRAWINGS FOR ANY ADDITIONAL 2X6 WALL LOCATIONS.
13. PROVIDE MOISTURE RESISTANT GYPSUM DRYWALL IN ALL UNIT BATHROOM WALLS AND AT OTHER UNIT WET WALLS.
14. PROVIDE SOUND BATT INSULATION IN ALL CORRIDOR AND TENANT SEPARATION WALLS.
15. PROVIDE SOUND INSULATION IN WALLS AROUND ALL LAUNDRY ROOMS, PLUMBING, AND ALL HVAC CLOSETS.
16. REFER TO STRUCTURAL DRAWINGS FOR SHEARWALL AND BEARING WALL LOCATIONS.
17. VERTICAL MECHANICAL CHASES WITHIN UNITS ARE TO BE FIRE STOPPED PER LOCAL REQUIREMENTS.
18. ALL DIMENSIONS ARE TO FACE OF STUD OR CENTER LINE OF OPENING, U.N.O.
19. ALL ANGLES ARE 45° TO HORIZONTAL & VERTICAL DIRECTIONS, U.N.O. TYP. AT ALL UNITS.
20. ALL DIMENSIONS AND NOTES STARTING CLEARANCE FROM FACE OF FINISH.
21. REFER TO A1.03 FOR ALL INTERIOR FAIR HOUSING ACT AND OTHER ACCESSIBILITY REQUIREMENTS.
22. ALL TOWEL BARS ARE TO BE MOUNTED AT 45" A.F.F. AND TOILET PAPER DISPENSERS AT 18" A.F.F. UNLESS NOTED OTHERWISE.
23. INTERIOR ELEVATIONS ARE FOR SCHEMATIC CABINET LAYOUT ONLY. CONTRACTOR TO VERIFY ALL DIMENSIONS. PROVIDE FILLERS AS REQUIRED. FILLERS ARE NOT TO EXCEED 3". REFER TO CABINET SHOP DRAWINGS.
24. VANITY MIRRORS TO BE 42" HIGH AND 2" LESS THAN THE VANITY WIDTH (TYP.) AND TO BE MOUNTED WITH THE BOTTOM OF THE REFLECTING SURFACE NO MORE THAN 40" A.F.F. IN ADA UNITS.
25. PROVIDE MINIMUM RATED 2A-10B C FIRE EXTINGUISHER IN EACH KITCHEN UNDER THE SINK.
26. VERIFY ALL TUB WALL LENGTHS AND DIMENSIONS WITH ACTUAL TUB PROVIDED. CONTRACTOR TO COORDINATE FRAMING, TUB MANUFACTURER AND TUB DETAILS.
27. PROVIDE SOLID BLOCKING IN WALLS FOR INSTALLATION OF GRAB BARS AS SHOWN ON A1.03, OR ALTERNATIVE MEANS OF REINFORCING THE CASTER METERS WITH THE FIBERGLASS TUB AND THE WALL.
28. SEE ARCHITECTURAL ELEVATION, MEP AND STRUCTURAL DRAWINGS FOR EXTERIOR FEATURES THAT MAY REQUIRE BLOCKING OR OTHER CONSIDERATIONS SPECIFIC TO THE UNIT LOCATION IN THE BUILDING, SUCH AS ATTACHED SIGNAGE, LIGHTING, AWNINGS, CANOPIES, TRELLISES, SHUTTERS, BUILTOUTS, CORNICES, RAILINGS, LANDSCAPE FEATURES AND ADJACENT ATTACHED STRUCTURES.
29. PROVIDE A HIGH OUTLET COVER SO THAT TV IN LIVING ROOM CAN BE MOUNTED AT 48" A.F.F. TO THE CENTER OF TV. REFER TO MEP AND TELECOM. PROVIDE 2X10 BLOCKING FOR T.V. MOUNTING.
30. ALL EXTERIOR SLABS TO SLOPE DOWN 1/8" TO EDGE OF SLAB. LIGHT BROOM FINISH AT SLOPED SURFACES. VERIFY WITH STRUCTURE.
31. REFER TO INTERIOR DESIGNER FINISH SCHEDULE FOR FINISHES. FOR ADDITIONAL ROOM FINISH NOTES AND SPECIFICATIONS.
32. REFER TO INTERIOR DESIGNER DRAWINGS FOR EXACT MOLDING LOCATIONS, SIZES AND FINISHES.
33. ALL WINDOWS FACING THE POOL, COURTYARD MUST BE LIMITED TO 4" OPENING.
34. FIRST FLOOR BALCONIES FACING THE POOL MUST HAVE 48" HIGH RAILINGS.
35. ALTHOUGH SYMBOLS HAVE BEEN REMOVED FOR CLARITY, FLOOR FINISHES EXTEND UNDER SHELVING, WASHER/DRYER, AND REFRIGERATOR. FLOOR FINISHES EXTEND UNDER ALL RAISED COUNTERS, AND DESK AND CABINETS INDICATED WITH "REMOVABLE FRONTS".
36. FIRST FLOOR CEILING HEIGHT IS 10'-0". SECOND AND THIRD FLOOR CEILING HEIGHT IS 9'-0".

2010 ADA STANDARDS

- 1. ALL UNITS WITH MOBILITY FEATURES MUST COMPLY WITH 2010 ADA STANDARDS. REF. A1.03 FOR UNIT REQUIREMENTS.
2. RANGE HOOD CONTROLS TO BE WITHIN REACH (44" MAX. AFF) OR PROVIDE AN ALTERNATE, REDUNDANT ACCESSIBLE CONTROL ELSEWHERE AT 48" MAX. AFF.
3. RANGE CONTROLS CANNOT BE LOCATED SUCH THAT A USER HAS TO REACH ACROSS A BURNER. REFER TO SPECIFICATIONS.
4. LAVATORIES SHALL COMPLY WITH 2010 ADA SECTION 609.
A. CABINETS SHALL BE PERMITTED UNDER THE LAVATORY, PROVIDED THAT THE CABINETS CAN BE REMOVED WITHOUT REMOVAL OR REPLACEMENT OF THE LAVATORY. THE FLOOR FINISH EXTENDS UNDER SUCH CABINETS, AND THE WALLS BEHIND AND SURROUNDING CABINETRY ARE FINISHED.
B. A CLEAR FLOOR SPACE, POSITIONED FOR A FORWARD APPROACH TO THE SINK, SHALL BE PROVIDED. KNEE AND TOE CLEARANCE COMPLYING WITH SECTION 308 SHALL BE PROVIDED. THE CLEAR FLOOR SPACE SHALL BE CENTERED ON THE SINK BOWL. THE REQUIREMENT FOR KNEE AND TOE CLEARANCE SHALL NOT APPLY TO MORE THAN ONE BOWL OF A MULTIBOWL SINK.
C. PROVIDE ACCESSIBLE FAUCET CONTROLS THAT COMPLY WITH 2010 ADA SECTION 309.
5. MIRRORS ABOVE LAVATORIES SHALL HAVE THE BOTTOM EDGE OF THE REFLECTING SURFACE 40 INCHES MAXIMUM ABOVE THE FLOOR.
6. PROVIDE 2010 ADA COMPLIANT KITCHEN SINK WITH A REAR DRAIN AND SHALLOW DISPOSAL. REFER TO MEP DRAWINGS FOR FIXTURE SCHEDULE.
7. 50% OF SHELF SPACE TO BE AT 48" MAX. A.F.F.
8. REFER TO A1.03 FOR SHELF HEIGHT IN CLOSET AND CABINETS.
9. COUNTER TOPS IN KITCHEN AND BATHROOMS SHALL NOT EXTEND MORE THAN 25 1/2" FROM THE WALL.
10. ELECTRICAL PANEL AND THERMOSTAT CONTROL TO BE WITHIN 48" REACH RANGE.

Table with columns: #, DATE, COMMENTS. Revisions: 1, 02-07-17, ADDENDUM A.

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BORGFIELD MANOR APARTMENTS
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BORGFIELD HOUSING

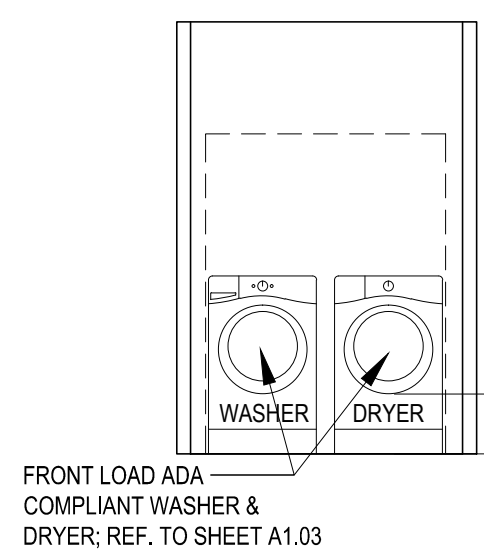


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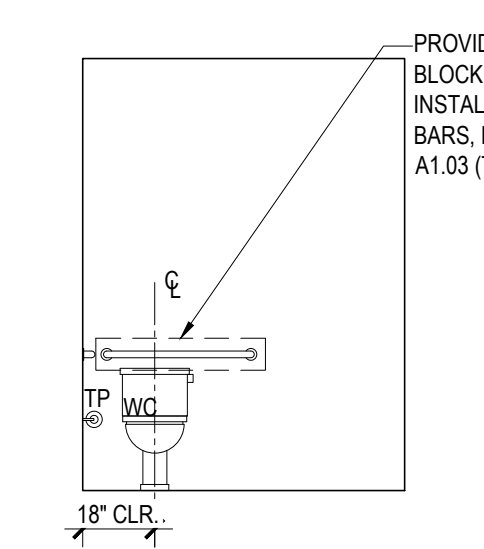


SHEET CONTENTS: UNIT A1 - ADA FLOOR PLAN & INT. ELEVATIONS. SHEET NO.

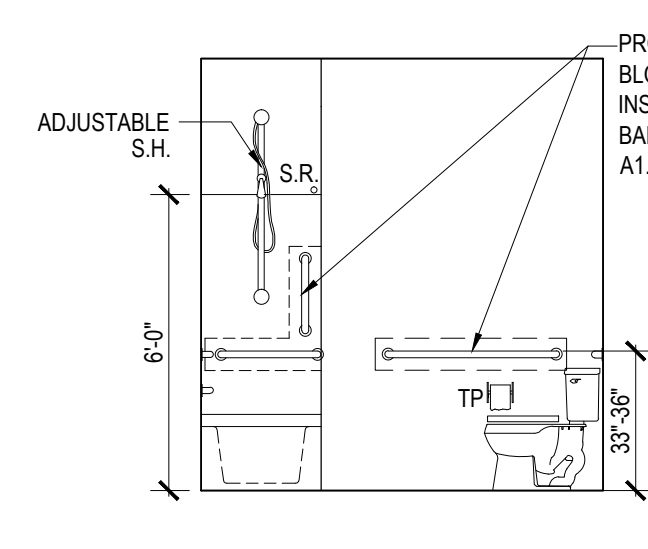
A3.11a



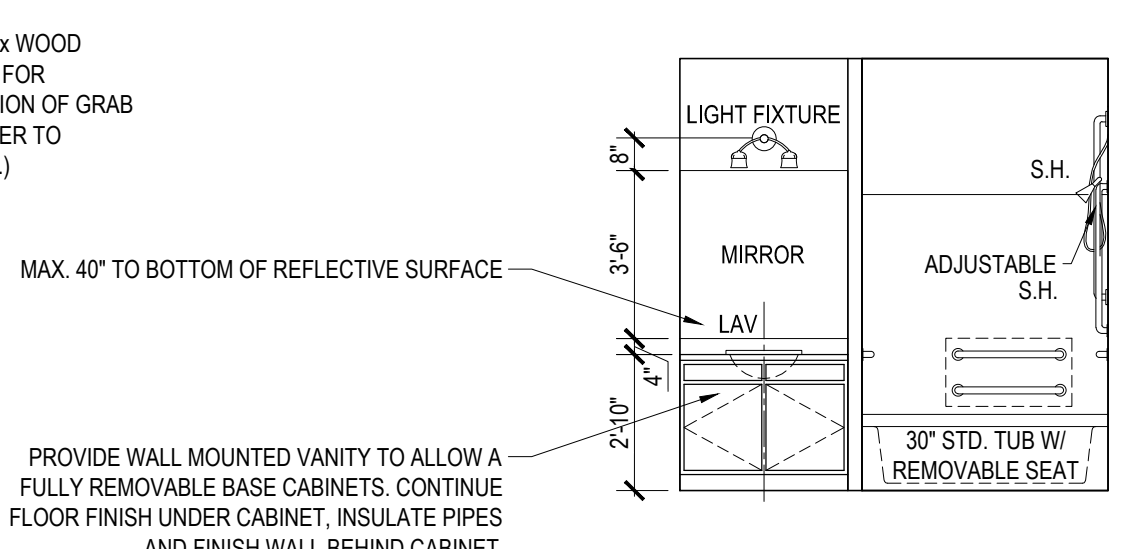
11 INTERIOR ELEVATION LAUNDRY SCALE: 1/4" = 1'-0"



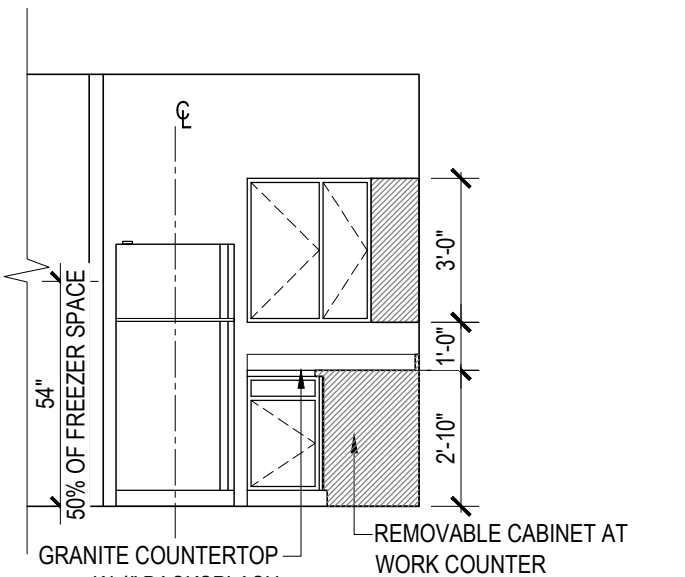
8 INTERIOR ELEVATION BATH SCALE: 1/4" = 1'-0"



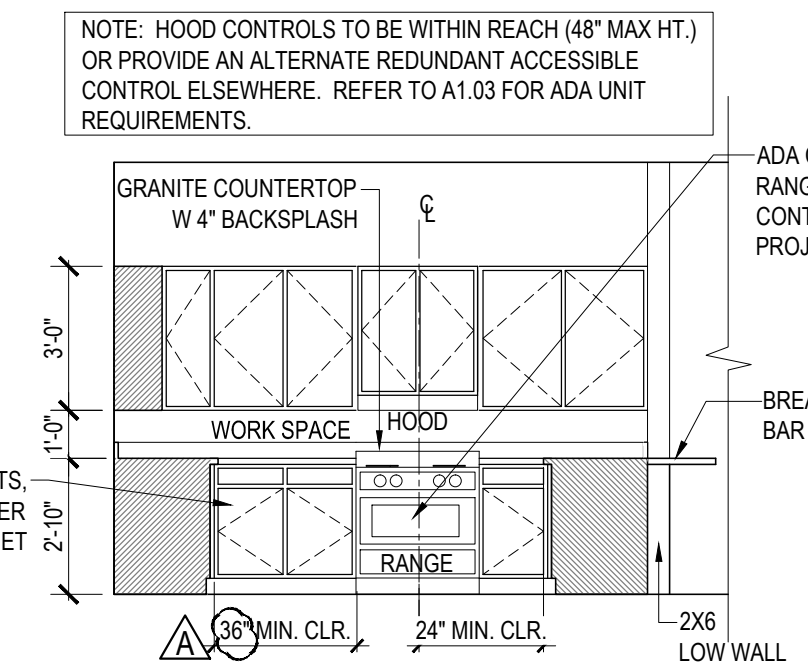
9 INTERIOR ELEVATION BATH SCALE: 1/4" = 1'-0"



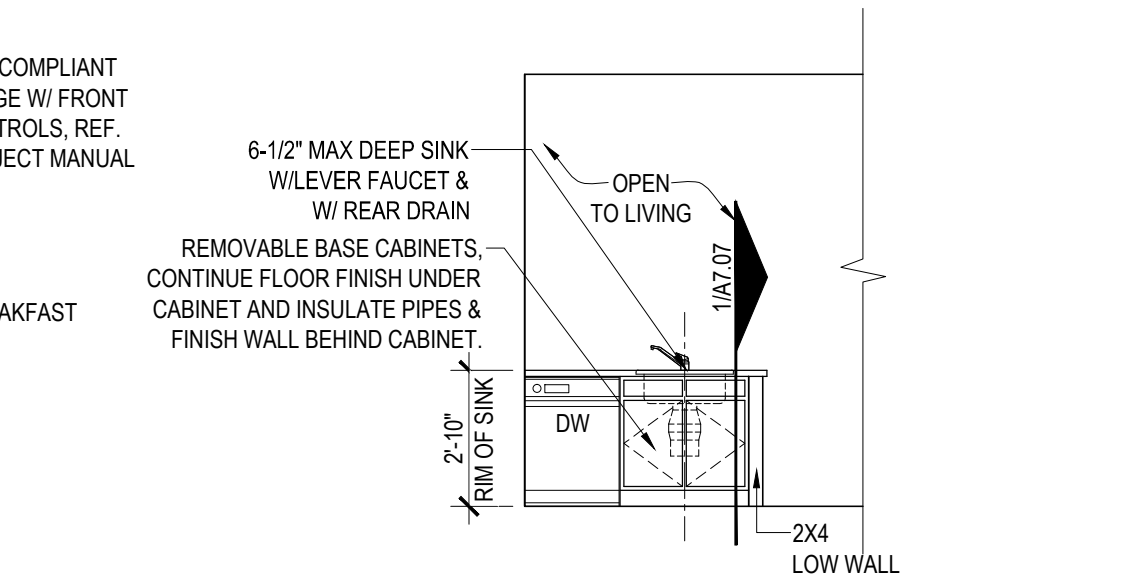
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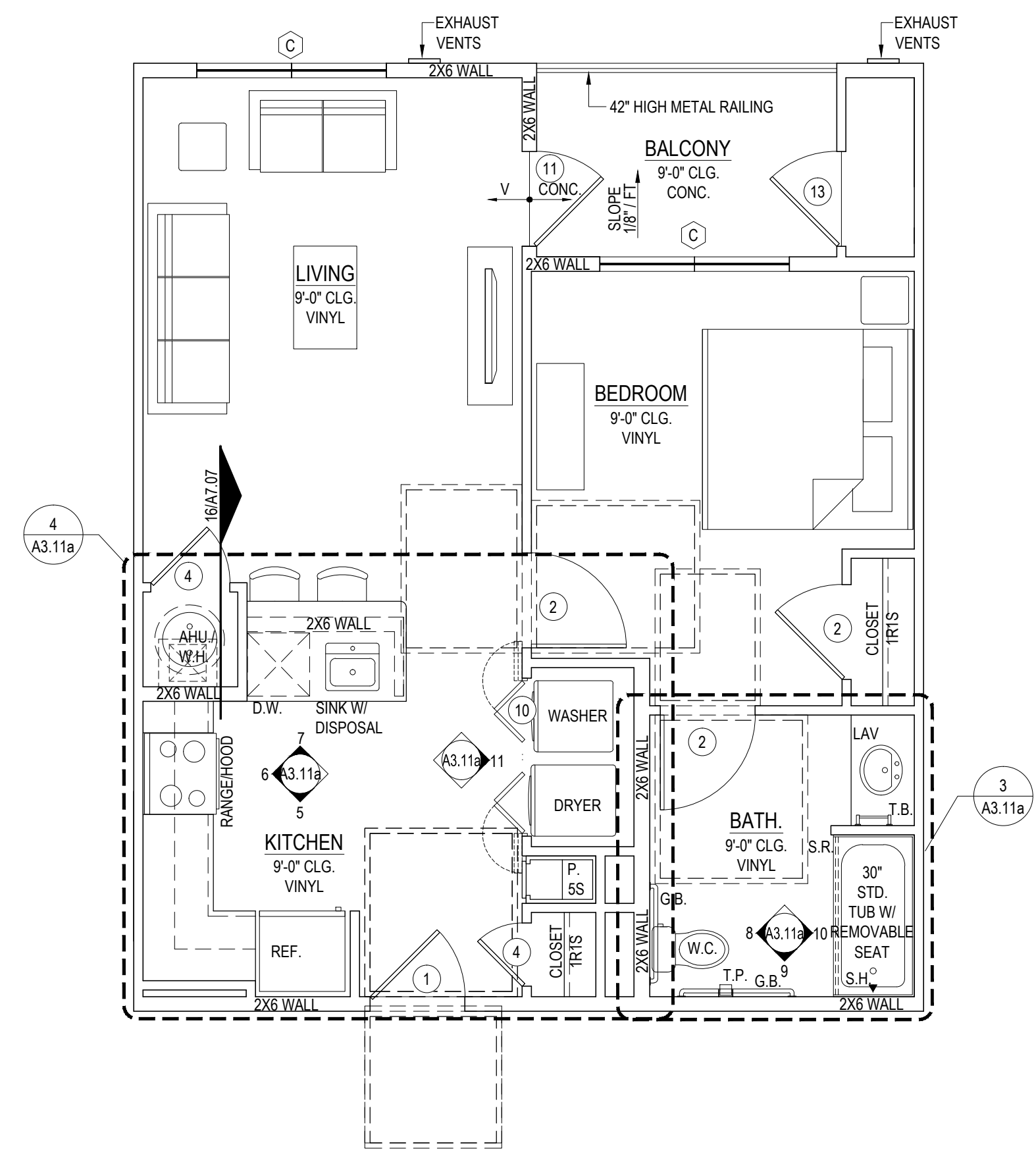
5 INTERIOR ELEVATION KITCHEN SCALE: 1/4" = 1'-0"



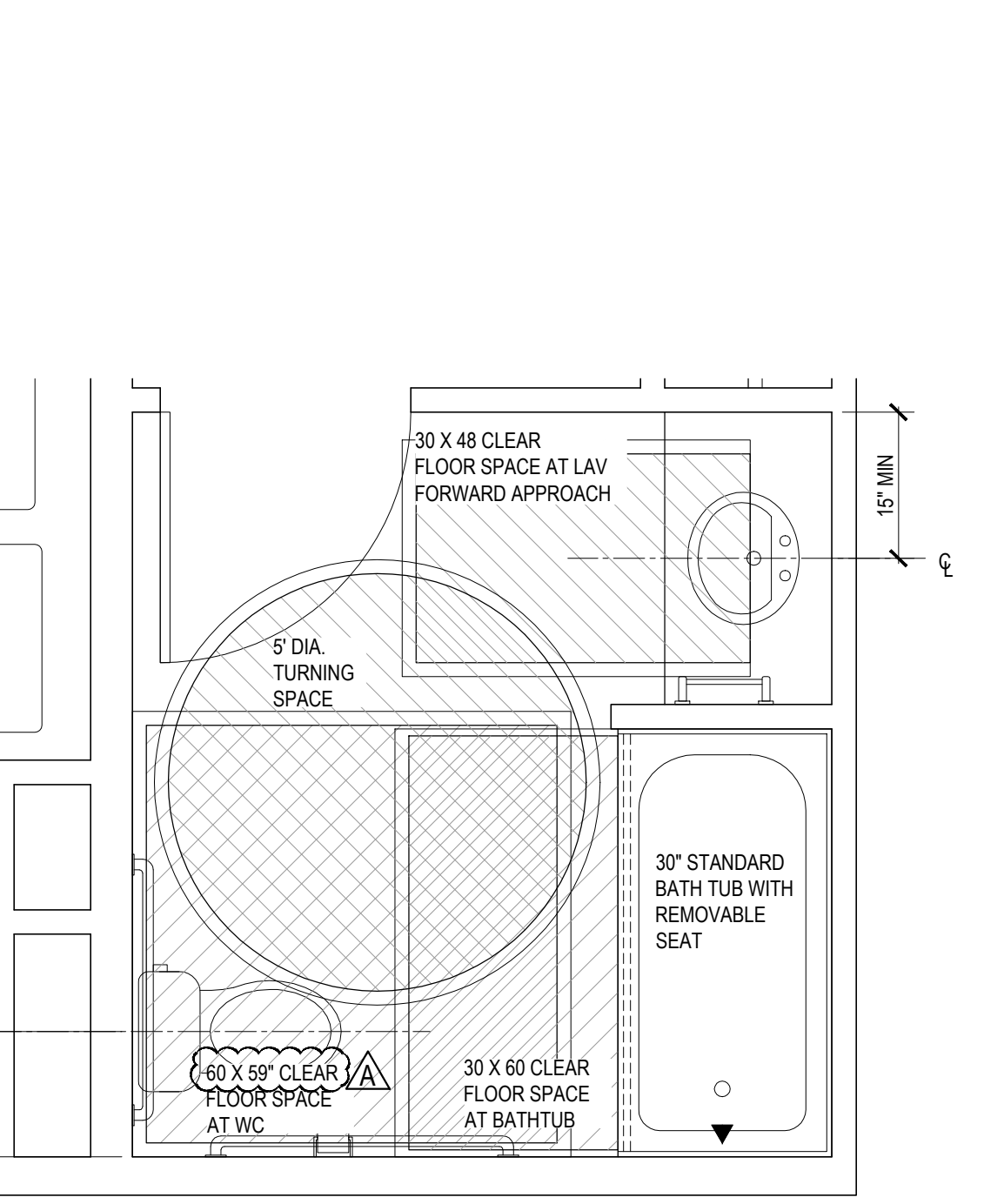
6 INTERIOR ELEVATION KITCHEN SCALE: 1/4" = 1'-0"



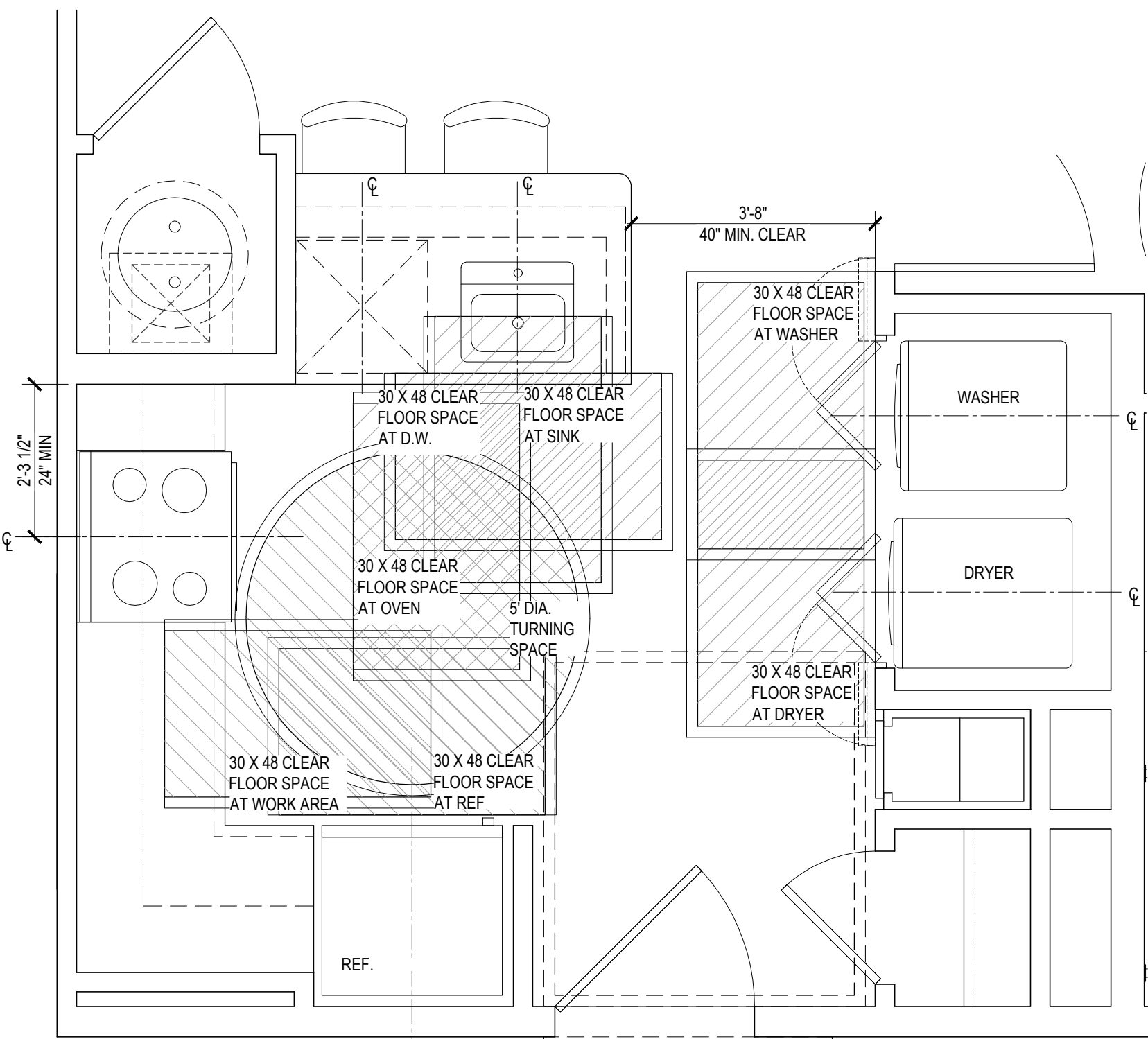
7 INTERIOR ELEVATION KITCHEN SCALE: 1/4" = 1'-0"



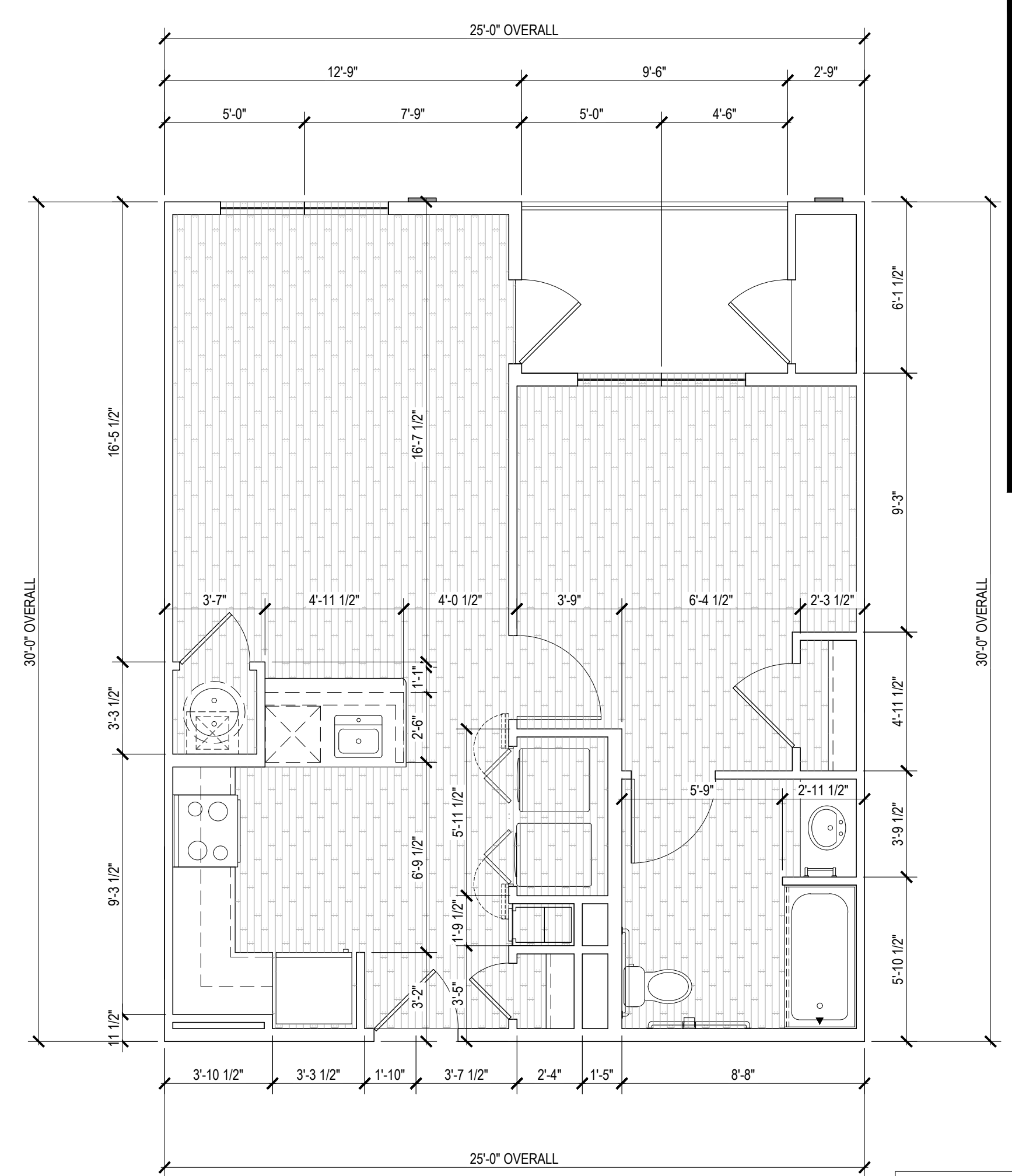
2 UNIT A1 - ADA - NOTES PLAN SCALE: 1/4" = 1'-0"



3 UNIT A1 - ADA - C.F.S BATH PLAN SCALE: 1/2" = 1'-0" SPECIFICATION B



4 UNIT A1 - ADA - C.F.S KITCHEN & UTILITY PLAN SCALE: 1/2" = 1'-0"



1 UNIT A1 - ADA - DIMENSION PLAN SCALE: 1/4" = 1'-0"

Table with columns: AREA, VALUE. A1-ADA: NET AREA 675 SQ. FT., BALCONY AREA 75 SQ. FT., GROSS AREA 750 SQ. FT.

Designed by:	MS	
Drawn by:	RK, LF	
Architect of Record:	VK	
Date Plotted:	02/07/17	
Issue for Pricing/Bidding:	11/10/16	
Issue for Permit Application:	11/10/16	
Issue for Construction:	XXXXXX	
Revisions:		
#	DATE	COMMENTS
1	02-07-17	ADDENDUM A

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SYMBOL LEGEND - UNIT PLANS

(X)	WINDOW TAG SYMBOL	VP CPT	FLOORING TRANSITION TAG
(X)	DOOR TAG SYMBOL		CLEAR FLOOR SPACE WITH 2" TOLERANCE AREA REFER TO NOTES FOR REQUIRED DIMENSIONS
1	DETAIL SECTION TAG		FURROWDOWN FOR DEPTH REFER TO PLAN
(A3.01) 2	REFERENCE TAG		VINYL FLOORING; REFER TO PLAN FOR ORIENTATION
(A3.01) 2	INTERIOR ELEVATION SYMBOL		
(A)	PARTITION WALL TAG REF A1.05		

AHU	= AIR HANDLER UNIT	T	= TEMPERED GLASS	P	= PANTRY
CO	= CASSED OPENING	TB	= TOWEL BAR	L	= LINEN CLOSET
D	= CLOTHES DRYER	TP	= TOILET PAPER DISPENSER	#S	= # OF SHELVES
DW	= DISHWASHER	TR	= TOWEL RING	1R1S	= DENOTES 1 ROD/1 SHELF
KS	= KNEE SPACE	V	= VINYL	2R2S	= DENOTES 2 RODS/ 2 SHELVES
MC	= MEDICINE CABINET @ 44" AFF	W	= WASHER		
SH	= SHOWER HEAD	WD	= WASHER/ DRYER		
SR	= SHOWER ROD	WH	= WATER HEATER		
SRO	= SHEETROCK OPENING	WS	= WORKSPACE		

GENERAL UNIT NOTES

- REFER TO MEP DRAWINGS FOR LOCATION OF SMOKE & FIRE DETECTORS.
- REFER TO SHEET A1.02 FOR ABBREVIATIONS AND GENERAL PROJECT NOTES.
- REFER TO SHEET A1.02 FOR TYPICAL INTERIOR ELEVATION PROFILES & NOTES.
- REFER TO SHEET A1.05 FOR TYPICAL WALL & CEILING ASSEMBLIES.
- REFER TO SHEET A2.01 FOR DOOR SCHEDULE & DETAILS.
- ALL INTERIOR DOORS SHALL ALLOW 1/2" AIRFLOW FOR RETURN AIR AT BOTTOM OF DOOR.
- REFER TO SHEET A2.02 FOR WINDOW SCHEDULE & DETAILS.
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- PER IBC-2015 TABLE 1008.3.2(1), STORIES PERMITTED TO HAVE A SINGLE EXIT ARE ALSO REQUIRED TO HAVE EMERGENCY ESCAPES OPENINGS. AS REQUIRED BY SECTION 1030, EMERGENCY ESCAPES OPENINGS TO BE PROVIDED IN BEDROOMS SHALL HAVE A MINIMUM OF ONE OPENING WITH 20" NET CLEAR WIDTH, 24" NET CLEAR HEIGHT, 5.7 SQ. FT. NET CLEAR OPENABLE AREA AND SHALL BE 44" MAXIMUM FROM FINISH FLOOR TO TOP OF SILL.
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- FIRST FLOOR BALCONIES FACING THE POOL MUST HAVE 48" HIGH RAILINGS.
- ALTHOUGH SYMBOLS HAVE BEEN REMOVED FOR CLARITY, FLOOR FINISHES EXTEND UNDER SHELVING, WASHER/DRYER, AND REFRIGERATOR. FLOOR FINISHES EXTEND UNDER ALL RAISED CLOSETS, DESK AND CABINETS INDICATED WITH "REMOVABLE FRONTS".
- FIRST FLOOR CEILING HEIGHT IS 10'-0". SECOND AND THIRD FLOOR CEILING HEIGHT IS 9'-0".

2010 ADA STANDARDS

- ALL UNITS WITH MOBILITY FEATURES MUST COMPLY WITH 2010 ADA STANDARDS, REF. A1.03 FOR UNIT REQUIREMENTS.
- RANGE HOOD CONTROLS TO BE WITHIN REACH (44" MAX. AFF) OR PROVIDE AN ALTERNATE, REDUNDANT ACCESSIBLE CONTROL ELSEWHERE AT 48" MAX. AFF.
- RANGE CONTROLS CANNOT BE LOCATED SUCH THAT A USER HAS TO REACH ACROSS A BURNER. REFER TO SPECIFICATIONS.
- LAVATORIES SHALL COMPLY WITH 2010 ADA SECTION 609.
 - CABINETS SHALL BE PERMITTED UNDER THE LAVATORY, PROVIDED THAT THE CABINETS CAN BE REMOVED WITHOUT REMOVAL OR REPLACEMENT OF THE LAVATORY. THE FLOOR FINISH EXTENDS UNDER SUCH CABINETS, AND THE WALLS BEHIND AND SURROUNDING CABINETS ARE FINISHED.
 - A CLEAR FLOOR SPACE, POSITIONED FOR A FORWARD APPROACH TO THE SINK, SHALL BE PROVIDED. KNEE AND TOE CLEARANCE COMPLYING WITH SECTION 308 SHALL BE PROVIDED. THE CLEAR FLOOR SPACE SHALL BE CENTERED ON THE SINK BOWL. THE REQUIREMENT FOR KNEE AND TOE CLEARANCE SHALL NOT APPLY TO MORE THAN ONE BOWL OF A MULTIBOWL SINK.
 - PROVIDE ACCESSIBLE FAUCET CONTROLS THAT COMPLY WITH 2010 ADA SECTION 309.
 - MIRRORS ABOVE LAVATORIES SHALL HAVE THE BOTTOM EDGE OF THE REFLECTING SURFACE 40 INCHES MAXIMUM ABOVE THE FLOOR.
 - PROVIDE 2010 ADA COMPLIANT KITCHEN SINK WITH A REAR DRAIN AND SHALLOW DISPOSAL. REFER TO MEP DRAWINGS FOR FIXTURE SCHEDULE.
 - 50% OF SHELF SPACE TO BE AT 48" MAX. A.F.F.
 - REFER TO A1.03 FOR SHELF HEIGHT IN CLOSET AND CABINETS.
 - COUNTER TOPS IN KITCHEN AND BATHROOMS SHALL NOT EXTEND MORE THAN 25 1/2" FROM THE WALL.
 - ELECTRICAL PANEL AND THERMOSTAT CONTROL TO BE WITHIN 48" REACH RANGE.

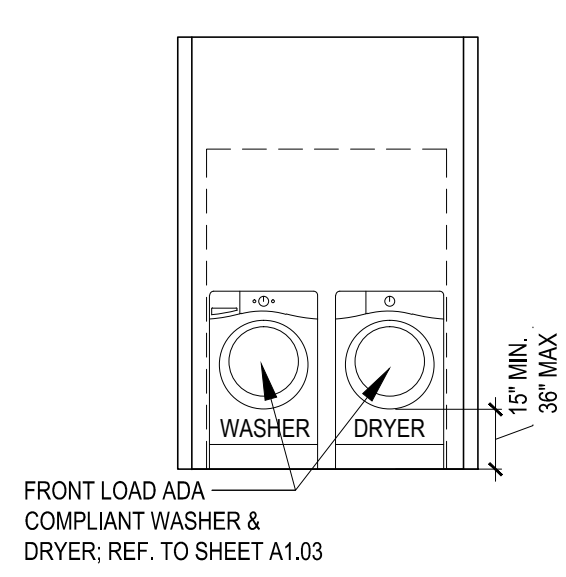
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206 W. BORGFIELD ROAD
CIBOLO, TX 78108
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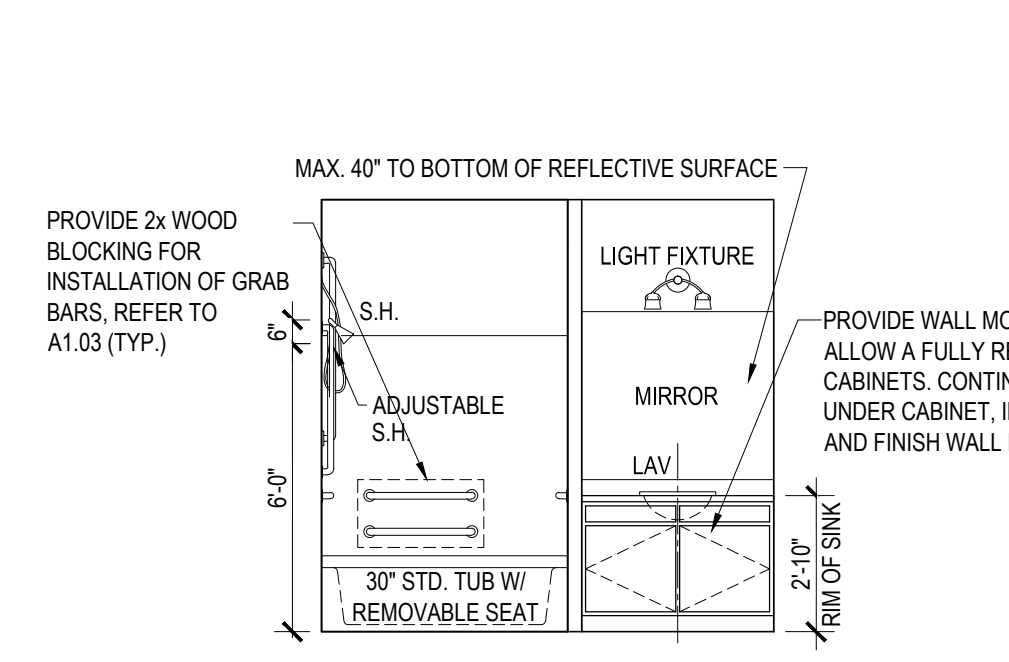
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SHEET CONTENTS:
UNIT B1- ADA FLOOR PLANS & INT. ELEVATIONS
SHEET NO.

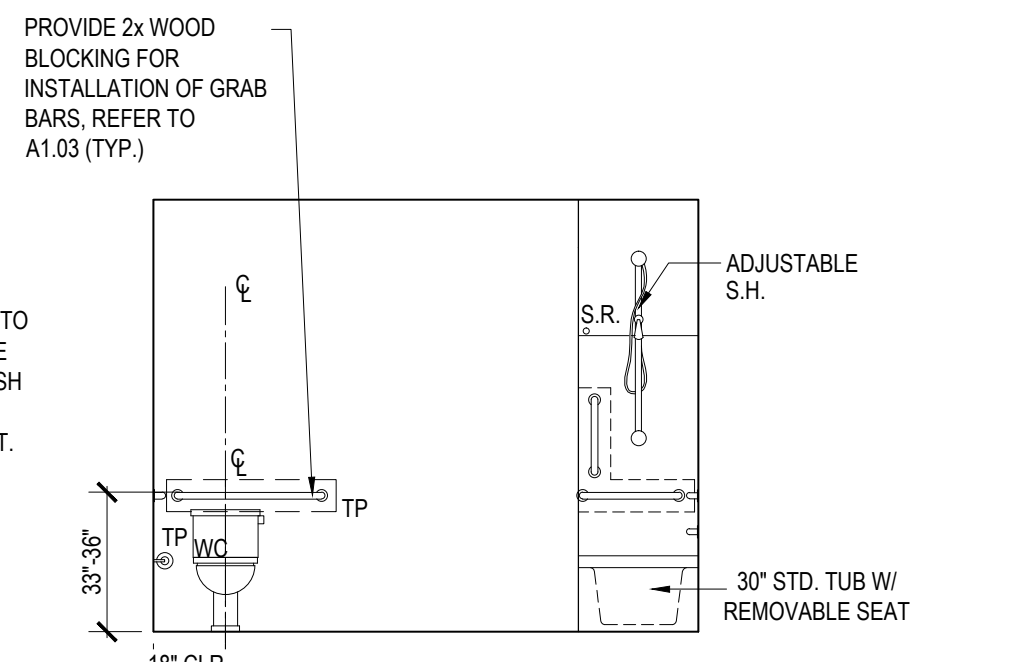
A3.21a



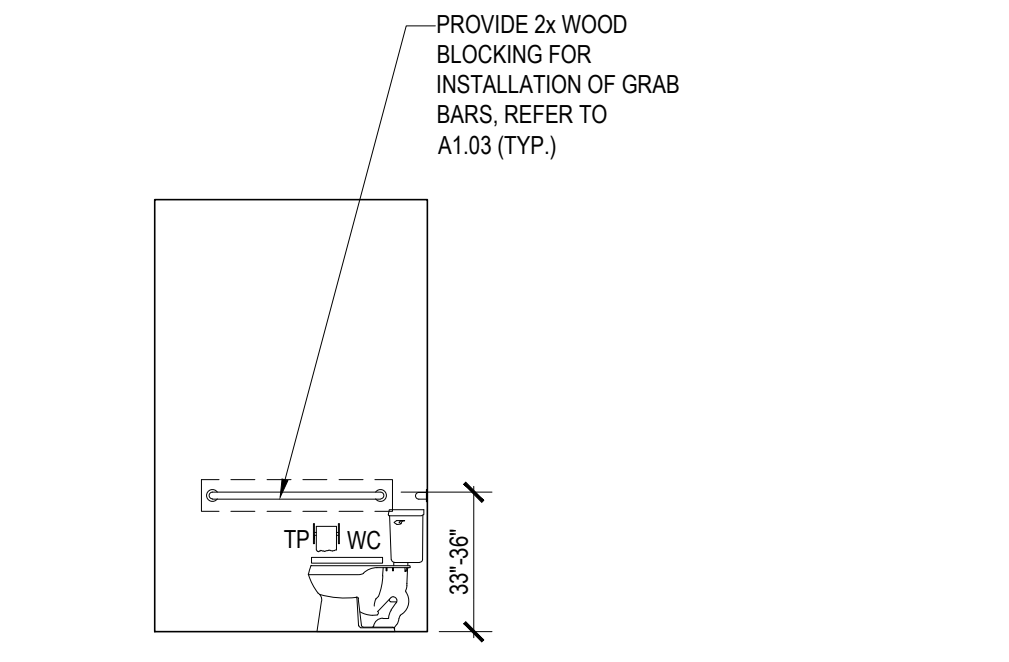
10 INTERIOR ELEVATION LAUNDRY
SCALE: 1/4" = 1'-0"



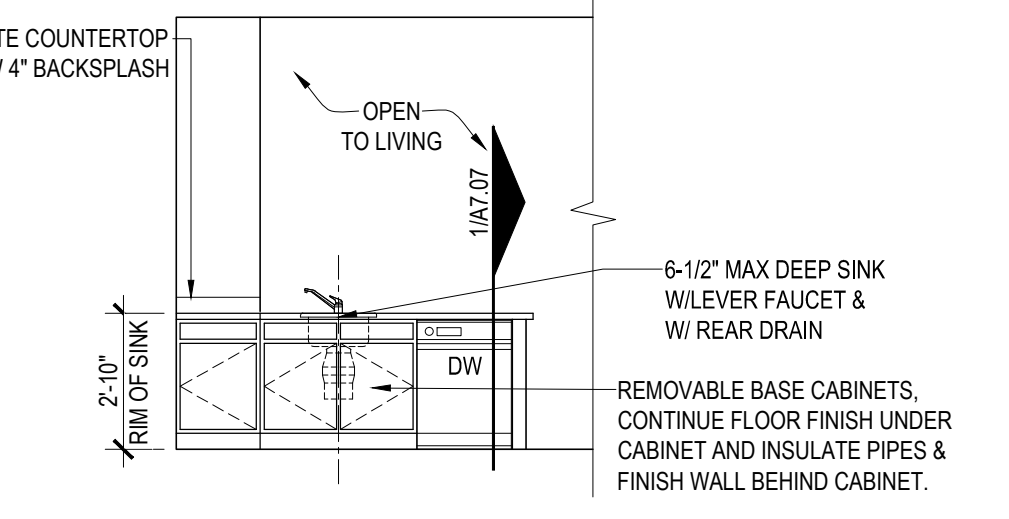
7 INTERIOR ELEVATION BATH
SCALE: 1/4" = 1'-0"



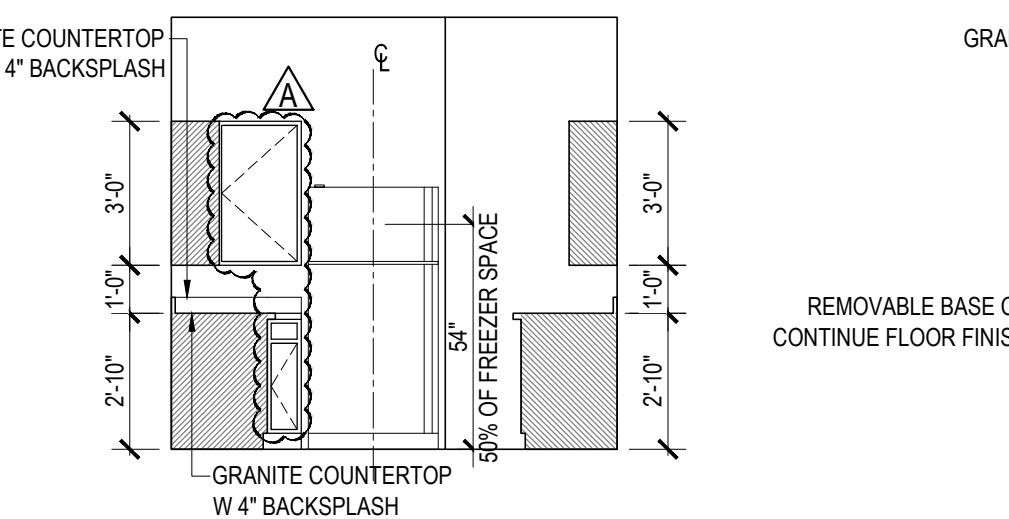
8 INTERIOR ELEVATION BATH
SCALE: 1/4" = 1'-0"



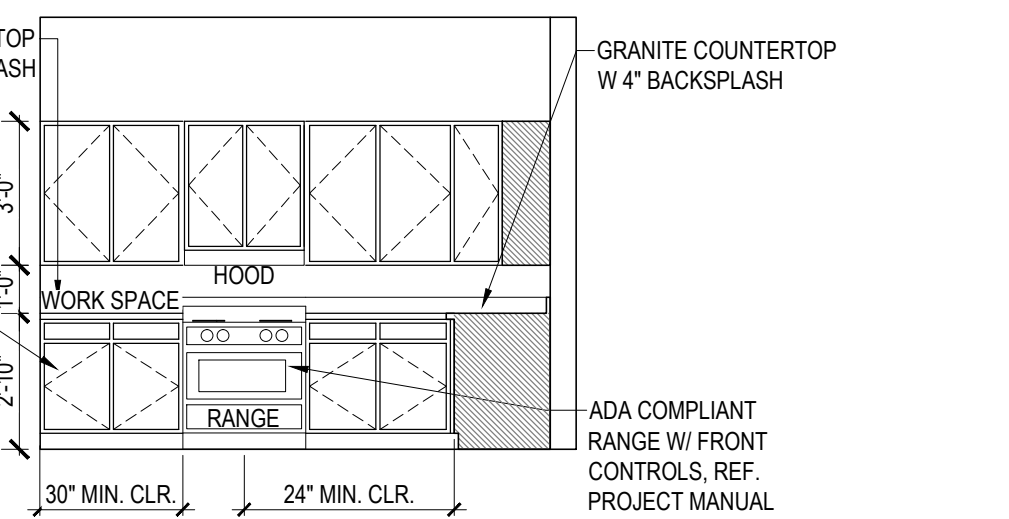
9 INTERIOR ELEVATION BATH
SCALE: 1/4" = 1'-0"



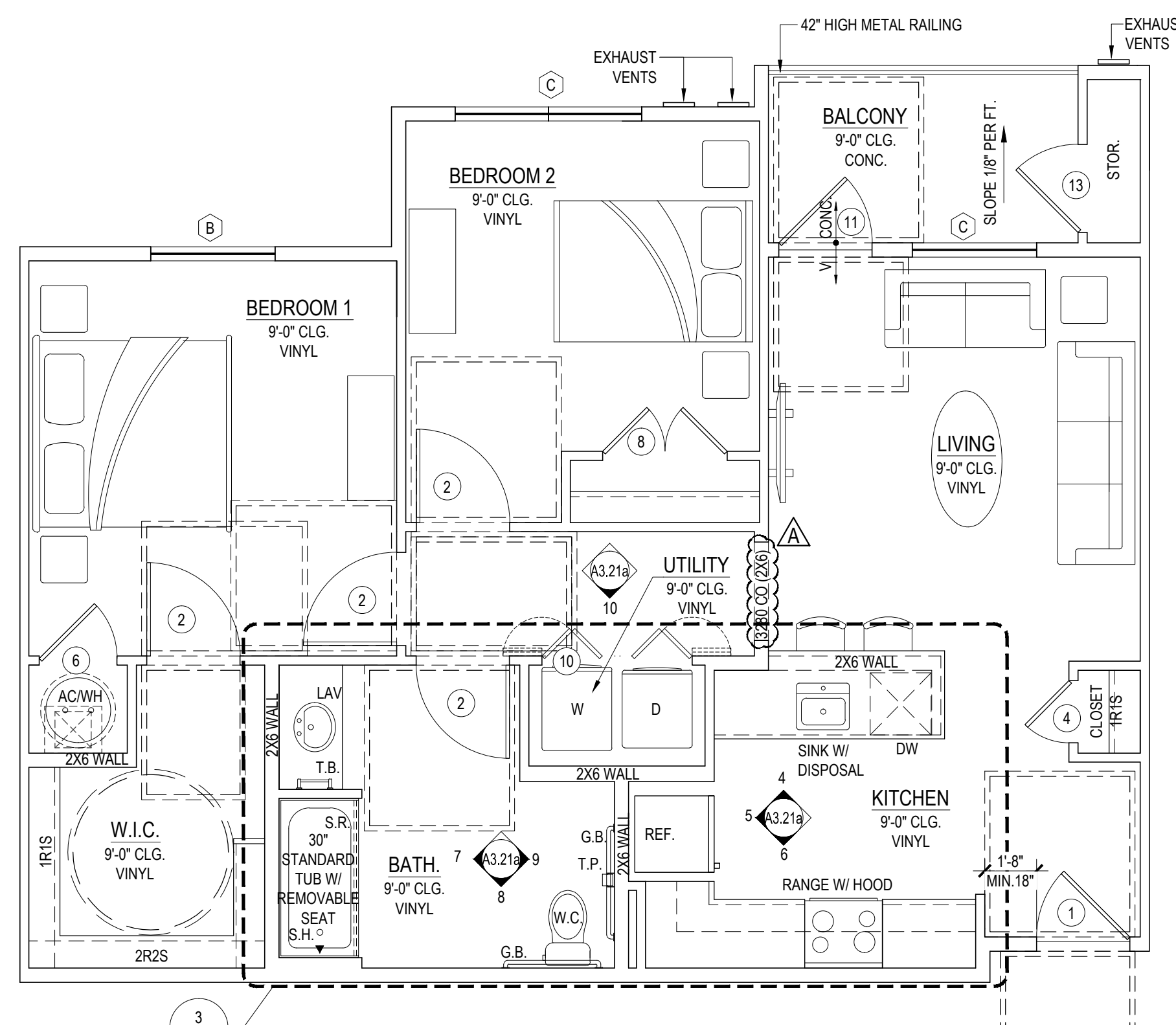
4 INTERIOR ELEVATION KITCHEN
SCALE: 1/4" = 1'-0"



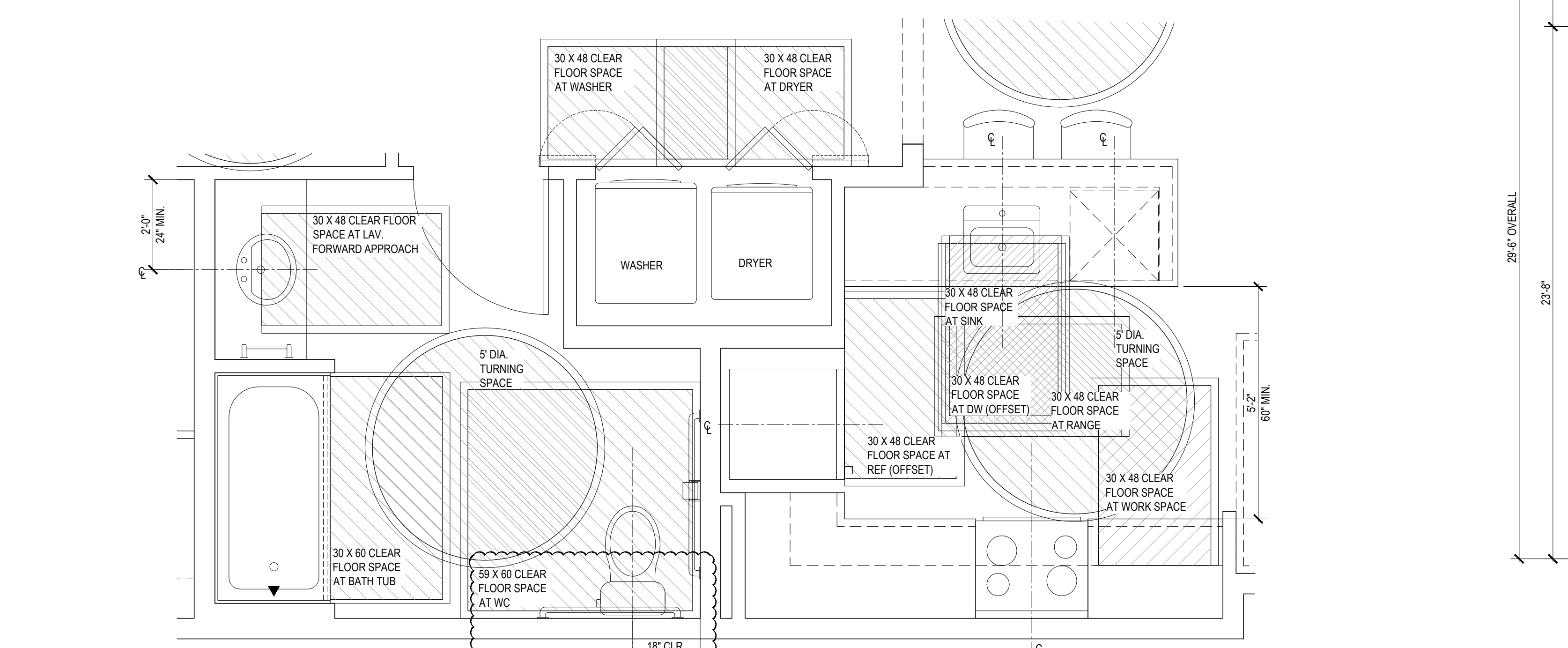
5 INTERIOR ELEVATION KITCHEN
SCALE: 1/4" = 1'-0"



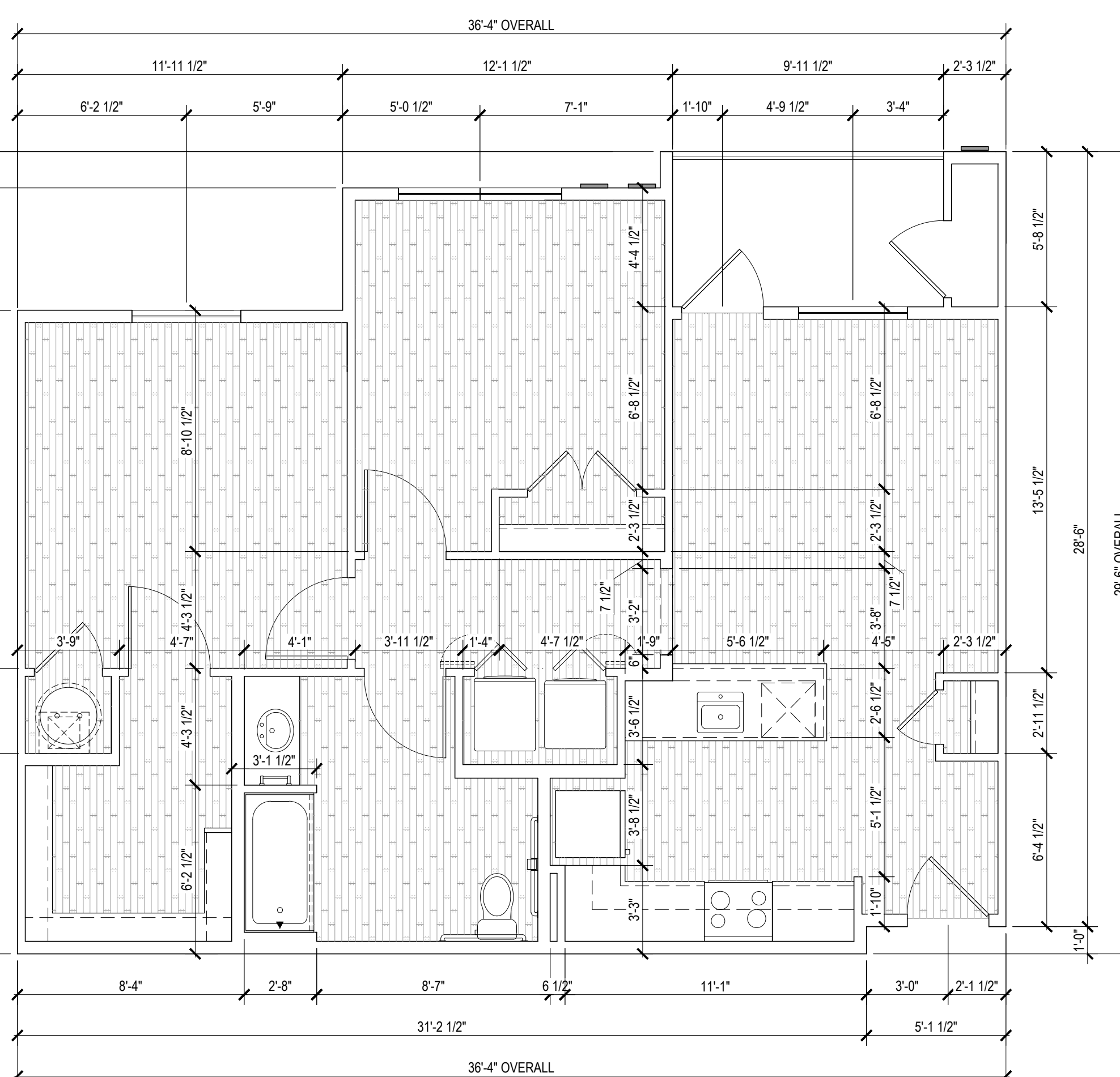
6 INTERIOR ELEVATION KITCHEN
SCALE: 1/4" = 1'-0"



2 UNIT B1-ADA - NOTES PLAN
SCALE: 1/4" = 1'-0"

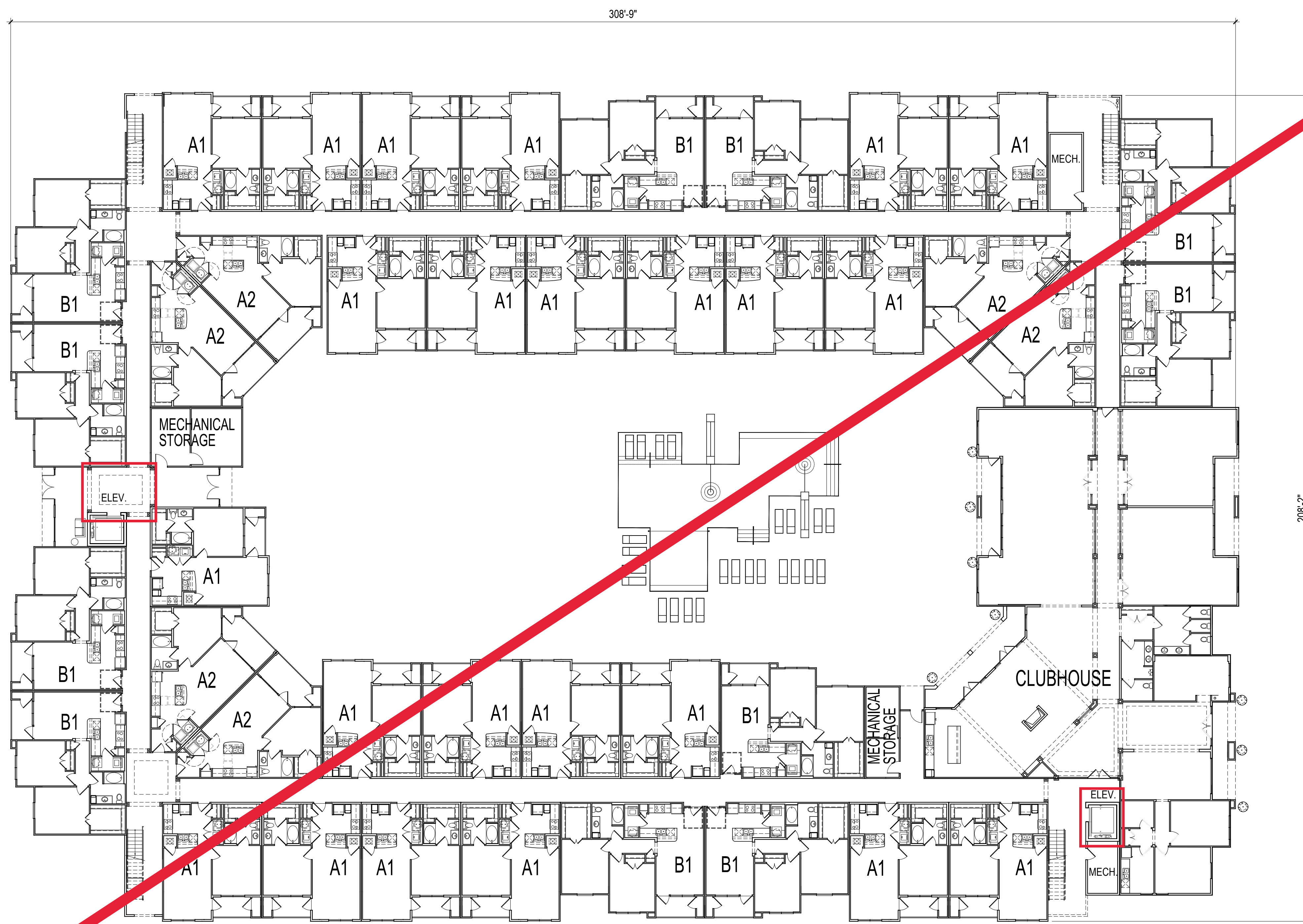


3 UNIT B1 - ADA - BATH, KITCHEN & UTILITY C.F.S. PLAN
SCALE: 1/2" = 1'-0"

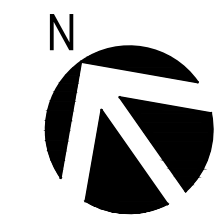


1 UNIT B1-ADA - DIMENSION PLAN
SCALE: 1/4" = 1'-0"

B1- ADA	
NET AREA	911 SQ. FT.
BALCONY AREA	70 SQ. FT.
GROSS AREA	981 SQ. FT.



GROSS AREA- 61,339 SQ. FT.
 UNHEATED AREAS - 10,265 SQ. FT.
 BALCONY- 3,395 SQ. FT.
 CORRIDORS & CIRCULATION-6,140 SQ. FT.
 UTILITY AREAS- 730 SQ. FT.



SCALE: 1/16" = 1'-0" (24"x36" SHEET)
 0' 16' 32' 64'

FIRST FLOOR PLAN

A410

BORGFELD MANOR BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



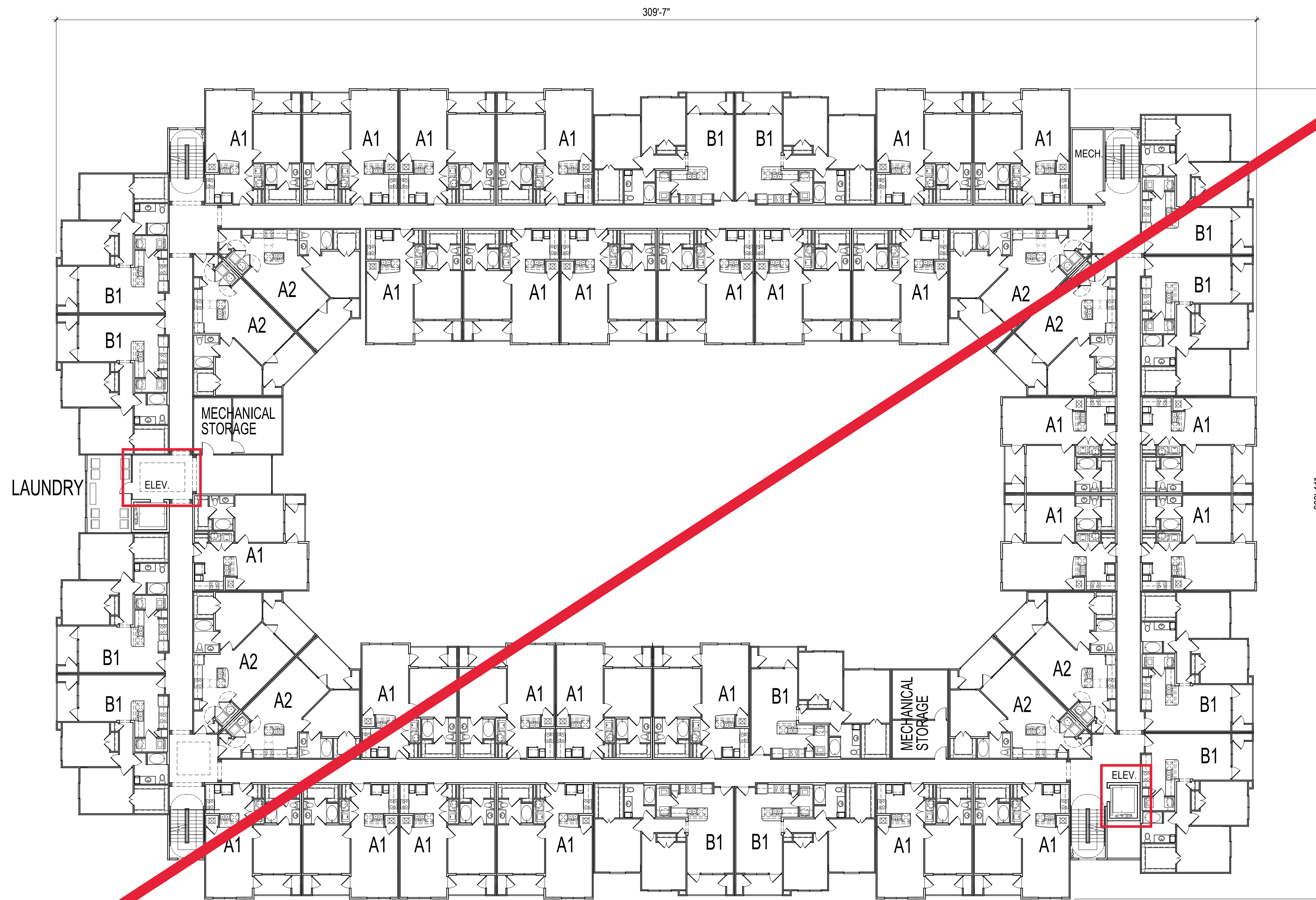
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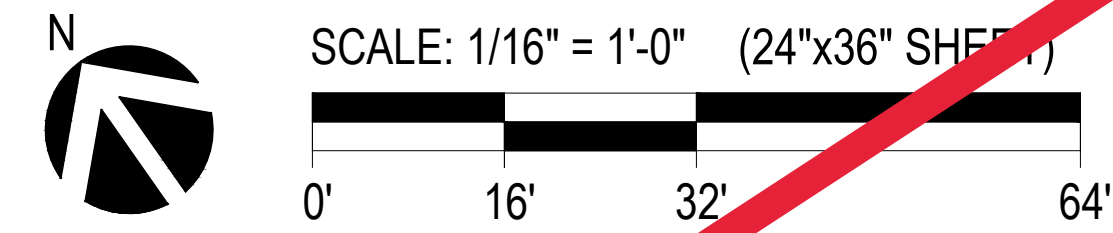
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GROSS AREA- 60,945 SQ. FT.
 UNHEATED AREAS - 10,584 SQ. FT.
 BALCONY- 3,395 SQ. FT.
 CORRIDORS & CIRCULATION-6,091 SQ. FT.
 UTILITY AREAS- 1,098 SQ. FT.



2nd & 3rd FLOOR PLAN

A411

BORGFELD MANOR BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



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ADA IA & IBI

UNIT ADDRESS REVISED PER THE FIRE DEPARTMENT MARKUP

SYMBOL LEGEND - EGRESS

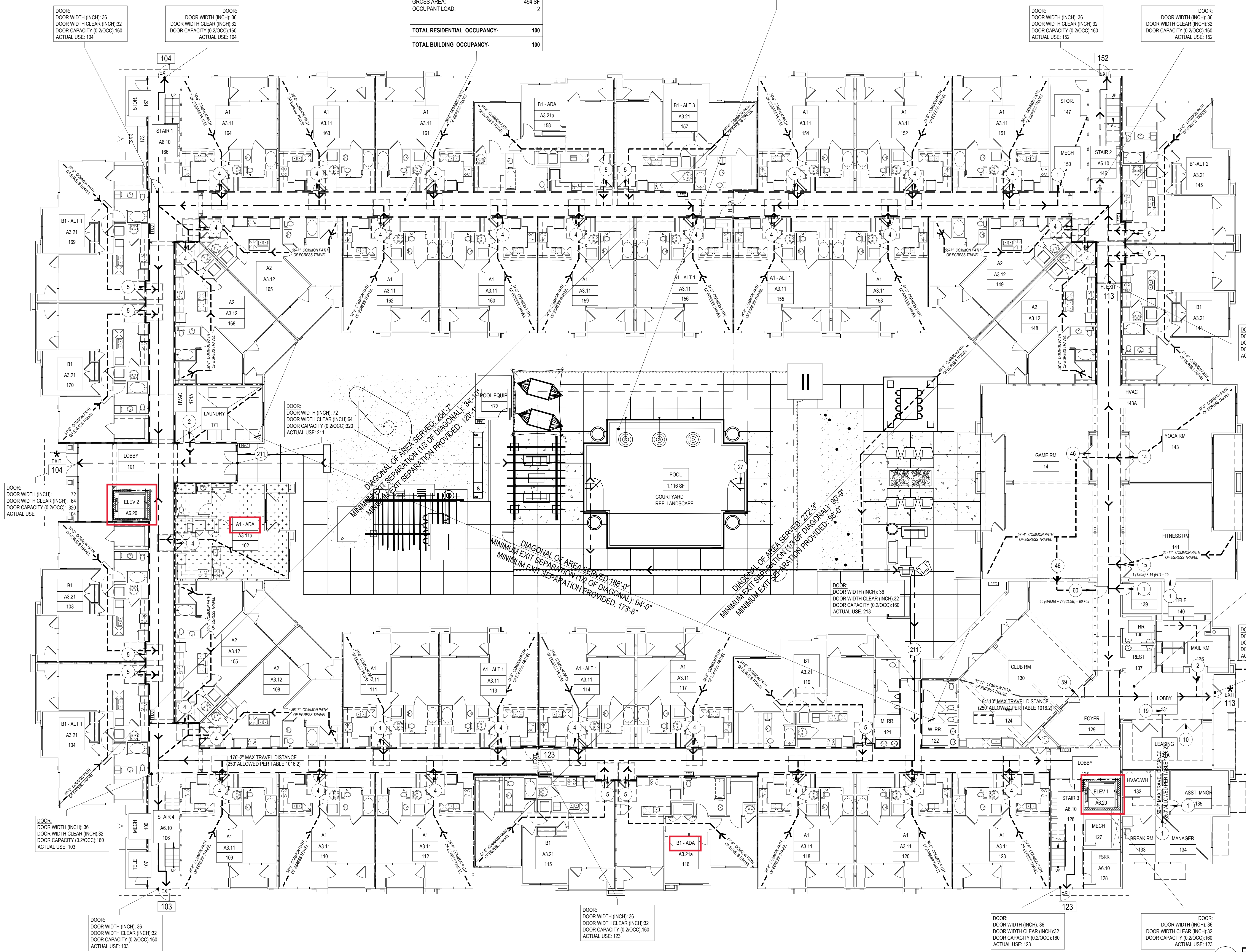
Table with 2 columns: Symbol and Description. Includes symbols for Occupants Per Space, Actual Use Per Exit, Unit Type, Vertical Exit, Horizontal Exit, Common Path of Egress Travel, and Exit Separation. Also includes descriptions for Stair and Door components.

EGRESS NOTES

- 1. AN EXIT IS THAT PORTION OF A MEANS OF EGRESS SYSTEM WHICH IS SEPARATED FROM OTHER INTERIOR SPACES OF A BUILDING OR STRUCTURE BY FIRE-RESISTANT RATED CONSTRUCTION AND OPENING PROTECTIVE AS REQUIRED TO PROVIDE A PROTECTED PATH OF EGRESS TRAVEL BETWEEN THE EXIT ACCESS AND THE EXIT DISCHARGE. EXITS INCLUDE EXTERIOR EXIT DOORS AT GROUND LEVEL, EXIT ENCLOSURES, EXIT PASSAGEWAYS, EXTERIOR EXIT STAIRS.
2. EXIT ACCESS TRAVEL DISTANCE IS MEASURED FROM THE MOST REMOTE POINT WITHIN A STORY TO THE ENTRANCE TO AN EXIT ALONG THE NATURAL AND UNOBSTRUCTED PATH OF EGRESS TRAVEL. (IBC 101.2.1.2)
2.1. GROUP R-2 & A-3 OCCUPANCIES - 250 FEET WITH NFPA 13 SPRINKLER SYSTEM.
3. A COMMON PATH OF EGRESS TRAVEL IS THAT PORTION OF EXIT ACCESS, WHICH THE OCCUPANTS ARE REQUIRED TO TRAVERSE BEFORE TWO SEPARATE AND DISTINCT PATHS OF EGRESS TRAVEL TO TWO EXITS ARE AVAILABLE. PATHS THAT MERGE ARE COMMON PATHS OF TRAVEL. COMMON PATHS OF EGRESS TRAVEL SHALL BE INCLUDED WITHIN THE PERMITTED TRAVEL DISTANCE. (IBC 2015 SECTION 1005.2.4) & 1005.3.2.1)
3.1. GROUP R-2 OCCUPANCY - 125 FEET WITH NFPA 13 SPRINKLER SYSTEM.
3.2. GROUP A-3 OCCUPANCY - 75 FEET WITH NFPA 13 SPRINKLER SYSTEM.
4. UNGLAZED OPENINGS ARE ALLOWED IN THE EXTERIOR WALLS OF AN EXIT ENCLOSURE BECAUSE NO WALLS OR OPENINGS ARE EXPOSED BY OTHER PARTS OF THE BUILDING AT AN ANGLE OF LESS THAN 180 DEGREES.
5. YARDS, PATIOS, COURTS AND SIMILAR OUTDOOR AREAS ACCESSIBLE TO AND USABLE BY THE BUILDING OCCUPANTS SHALL BE PROVIDED WITH MEANS OF EGRESS AS REQUIRED BY THE BUILDING CODE. THE OCCUPANT LOAD OF SUCH OUTDOOR AREAS SHALL BE ASSIGNED BY THE BUILDING OFFICIAL IN ACCORDANCE WITH THE ANTICIPATED USE. ALL PARKING COURTS HAVE NO LESS THAN TWO EXITS.
6. ALL DOORS OR GATES LOCATED ALONG THE PATH OF EGRESS SHALL SWING IN THE DIRECTION OF TRAVEL WHERE SERVING AN OCCUPANT LOAD OF 50 OR MORE PERSONS.
7. DEAD END CORRIDOR- 50 FEET (2015 IBC 1020.4 EXC. 2) OR OCCUPANCY GROUP A AND B.
8. ACCESSIBLE MEANS OF EGRESS STAIRWAY (2015 IBC 1009.3)
8.1 THE CLEAR WIDTH OF 48" BETWEEN HANDRAILS IS NOT REQUIRED IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 2)
8.2 AREA OF REFUGE NOT REQUIRED IN AT STAIRWAYS IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 5)
OCCUPANCY LOAD REVISED PER INTERNAL COMMENTS

BUILDING I - LEVEL 1: RESIDENTIAL OCCUPANCY- OCCUPANCY TYPE: 200 SF/OCC. R2 LOAD RATIO: REF SHEET A1.02 RENTABLE UNIT OCCUPANCY: 96 STOR. / MECH.- OCCUPANCY TYPE: ACCESSORY USE TO R2 LOAD RATIO: 300 SF/OCC. GROSS AREA: 494 SF OCCUPANT LOAD: 2 LAUNDRY OCCUPANCY TYPE: ACCESSORY USE TO R2 LOAD RATIO: 300 SF/OCC. GROSS AREA: 494 SF OCCUPANT LOAD: 2 TOTAL RESIDENTIAL OCCUPANCY- 100 TOTAL BUILDING OCCUPANCY- 100

OUTDOOR AMENITY OCCUPANCY TYPE: A3 COURTYARD LOAD RATIO: 15 SF/OCC. GROSS AREA: 5980 SF OCCUPANT LOAD: 399 POOL: LOAD RATIO: 50 SF/OCC. GROSS AREA: 1,116 SF OCCUPANT LOAD: 23 TOTAL BUILDING OCCUPANCY- 422



DOOR: DOOR WIDTH (INCH): 36 DOOR WIDTH CLEAR (INCH): 32 DOOR CAPACITY (0.2/OCC): 160 ACTUAL USE: 113

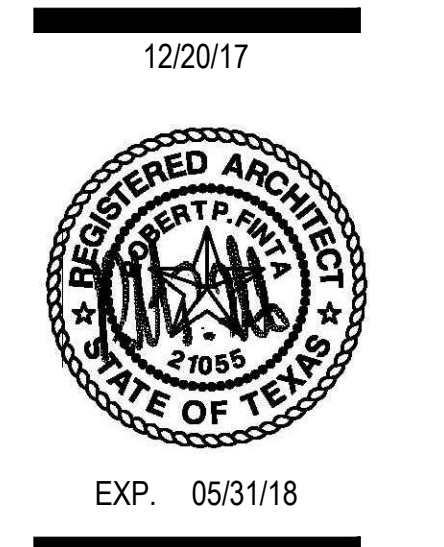
BUILDING II - LEVEL 1: RESIDENTIAL OCCUPANCY- OCCUPANCY TYPE: 200 SF/OCC. R2 LOAD RATIO: REF SHEET A1.02 RENTABLE UNIT OCCUPANCY: 73 STOR. / MECH.- OCCUPANCY TYPE: 300 SF/OCC. GROSS AREA: 312 SF OCCUPANT LOAD: 2 TOTAL RESIDENTIAL OCCUPANCY- 75 LEASING/ASSIST. MANAGER OFFICE OCCUPANCY TYPE: 100 SF/OCC. GROSS AREA: 938 SF OCCUPANT LOAD: 10 MAIL ROOM: OCCUPANCY TYPE: ACCESSORY USE TO R2 LOAD RATIO: 200 SF/OCC. GROSS AREA: 240 SF OCCUPANT LOAD: 2 LOBBY: OCCUPANCY TYPE: A3 LOAD RATIO: 15 SF/OCC. GROSS AREA: 284 OCCUPANT LOAD: 19 TOTAL BUSINESS OCCUPANCY- 31 INDOOR AMENITY OCCUPANCY TYPE: A3 CLUB ROOM: LOAD RATIO: 15 GROSS AREA: 1,084 SF OCCUPANT LOAD: 73 GAME ROOM: LOAD RATIO: 15 SF/OCC. GROSS AREA: 1,369 SF OCCUPANT LOAD: 92 YOGA ROOM: LOAD RATIO: 50 SF/OCC. GROSS AREA: 672 SF OCCUPANT LOAD: 14 FITNESS ROOM: LOAD RATIO: 50 SF/OCC. GROSS AREA: 641 SF OCCUPANT LOAD: 14 STOR. / MECH.- OCCUPANCY TYPE: ACCESSORY USE TO A3 LOAD RATIO: 300 SF/OCC. GROSS AREA: 312 SF OCCUPANT LOAD: 2 TOTAL ASSEMBLY OCCUPANCY- 195 TOTAL BUILDING OCCUPANCY- 237

EGRESS PLAN- FIRST FLOOR SCALE: 3/32" = 1'-0"

Designed by: MS Drawn by: VK Architect of Record: VK Date Plotted: 12/20/17 Issue for Pricing / Bidding: 11/10/16 Issue for Permit Application: 11/10/16 Issue for Construction: XXXXXX Revisions: # DATE COMMENTS 02-07-17 ADDENDUM A 12-20-17 ASI 001

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SHEET CONTENTS: FIRST FLOOR OCCUPANCY & EGRESS PLAN

A1.02a

Designed by:	MS	
Drawn by:	VK	
Architect of Record:	VK	
Date Plotted:	12/20/17	
Issue for Pricing / Bidding:	11/10/16	
Issue for Permit Application:	11/10/16	
Issue for Construction:	XXXXXX	
Revisions:		
#	DATE	COMMENTS
1	02-07-17	ADDENDUM A
2	12-20-17	ASI 001

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UNIT ADDRESS REVISED PER THE FIRE DEPARTMENT MARKUP

SYMBOL LEGEND - EGRESS

XX	OCCUPANTS PER SPACE	1 HR FIRE PARTITION
XX	ACTUAL USE PER EXIT	2 HR FIRE BARRIER
X	UNIT TYPE	2 HR FIRE WALL
V EXIT	VERTICAL EXIT	3 HR FIRE WALL
H EXIT	HORIZONTAL EXIT: DOORS WITH AUTOMATIC CLOSERS	COMMON PATH OF EGRESS TRAVEL
*	PROVIDE PANIC HARDWARE	PATH OF EGRESS TRAVEL/ EXIT SEPARATION
		MAXIMUM TRAVEL DISTANCE

STAIR	DESCRIPTION OF EXIT STAIR COMPONENT	ACTUAL STAIR WIDTH
STAIR WIDTH (IN):		NUMBER OF OCCUPANTS ALLOWED
STAIR CAPACITY:		ACTUAL NUMBER OF OCCUPANTS
ACTUAL USE:		

DOOR WIDTH (IN):	ACTUAL DOOR WIDTH
DOOR CLEAR WIDTH (IN):	NUMBER OF OCCUPANTS ALLOWED
DOOR CAPACITY:	ACTUAL NUMBER OF OCCUPANTS
ACTUAL USE:	

- ### EGRESS NOTES
- AN EXIT IS THAT PORTION OF A MEANS OF EGRESS SYSTEM WHICH IS SEPARATED FROM OTHER INTERIOR SPACES OF A BUILDING OR STRUCTURE BY FIRE-RESISTANCE RATED CONSTRUCTION AND OPENING PROTECTIVE AS REQUIRED TO PROVIDE A PROTECTED PATH OF EGRESS TRAVEL BETWEEN THE EXIT ACCESS AND THE EXIT DISCHARGE. EXITS INCLUDE EXTERIOR EXIT DOORS AT GROUND LEVEL, EXIT ENCLOSURES, EXIT PASSAGEWAYS, EXTERIOR EXIT STAIRS.
 - EXIT ACCESS TRAVEL DISTANCE IS MEASURED FROM THE MOST REMOTE POINT WITHIN A STORY TO THE ENTRANCE TO AN EXIT ALONG THE NATURAL AND UNOBSTRUCTED PATH OF EGRESS TRAVEL. (IBC 2015 TABLE 1016.2)
 - GROUP R-2 & 3 OCCUPANCIES = 29 FEET WITH NFPA 13 SPRINKLER SYSTEM
 - GROUP R-2 OCCUPANCY = 125 FEET WITH NFPA 13 SPRINKLER SYSTEM
 - GROUP R-3 OCCUPANCY = 75 FEET WITH NFPA 13 SPRINKLER SYSTEM
 - NON-RATED OPENINGS ARE ALLOWED IN THE EXTERIOR WALLS OF AN EXIT ENCLOSURE BECAUSE NO WALLS OR OPENINGS ARE EXPOSED BY OTHER PARTS OF THE BUILDING AT AN ANGLE OF LESS THAN 180 DEGREES.
 - YARDS, PATIOS, COURTS AND SIMILAR OUTDOOR AREAS ACCESSIBLE TO AND USABLE BY THE BUILDING OCCUPANTS SHALL BE PROVIDED WITH MEANS OF EGRESS AS REQUIRED BY THE BUILDING CODE. THE OCCUPANT LOAD OF SUCH OUTDOOR AREAS SHALL BE ASSIGNED BY THE BUILDING OFFICIAL IN ACCORDANCE WITH THE ANTICIPATED USE. ALL PARKING COURTS HAVE NO LESS THAN TWO EXITS.
 - ALL DOORS OR GATES LOCATED ALONG THE PATH OF EGRESS SHALL SWING IN THE DIRECTION OF TRAVEL WHERE SERVING AN OCCUPANT LOAD OF 50 OR MORE PERSONS.
 - DEAD END CORRIDOR= 50 FEET (2015 IBC 1004.4 EXC. 2) FOR OCCUPANCY GROUP R AND D
 - ACCESSIBLE MEANS OF EGRESS STAIRWAY (2015 IBC 1009.3)
 - 1 THE CLEAR WIDTH OF 48" BETWEEN HANDRAILS IS NOT REQUIRED IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 2)
 - AREA OF REFUGES NOT REQUIRED IN AT STAIRWAYS IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 5)

BUILDING I - LEVEL 2:

RESIDENTIAL OCCUPANCY-

OCCUPANCY TYPE: R2
 LOAD RATIO: 200 SF/OCC.
 RENTABLE UNIT AREA: REF SHEET A1.02
 RENTABLE UNIT OCCUPANCY: 98

STOR. / MECH-

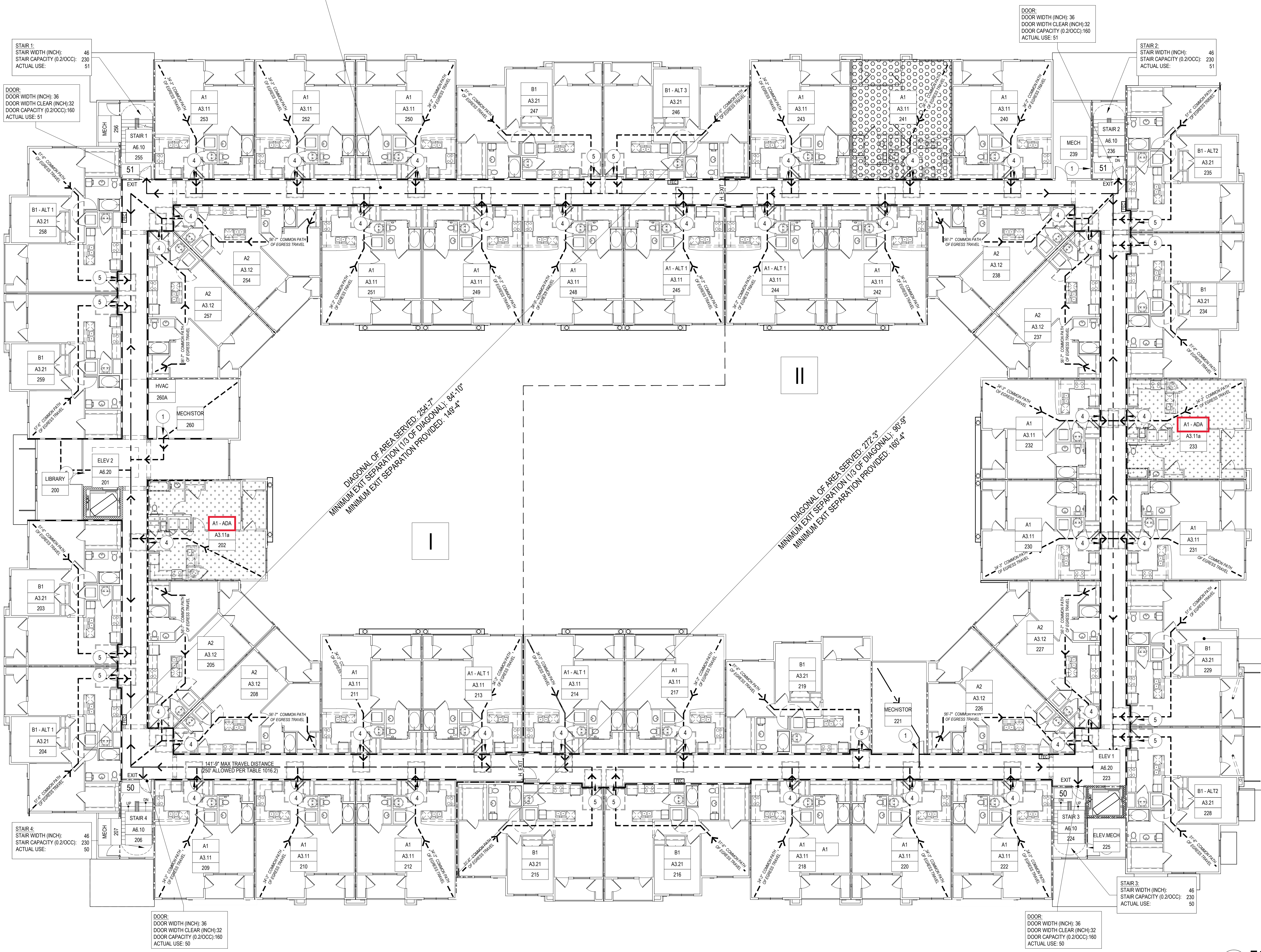
OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 300 SF/OCC.
 GROSS AREA: 494 SF
 OCCUPANT LOAD: 2

LIBRARY-

OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 50 SF/OCC.
 GROSS AREA: 243 SF
 OCCUPANT LOAD: 5

TOTAL RESIDENTIAL OCCUPANCY- 105
TOTAL BUILDING OCCUPANCY- 105

2 A1 ADA



DIAGONAL OF AREA SERVED: 234'-7"
 MINIMUM EXIT SEPARATION (1/3 OF DIAGONAL): 84'-10"
 MINIMUM EXIT SEPARATION PROVIDED: 149'-4"

DIAGONAL OF AREA SERVED: 272'-7"
 MINIMUM EXIT SEPARATION (1/3 OF DIAGONAL): 90'-9"
 MINIMUM EXIT SEPARATION PROVIDED: 180'-4"

BUILDING II - LEVEL 2:

RESIDENTIAL OCCUPANCY-

OCCUPANCY TYPE: R2
 LOAD RATIO: 200 SF/OCC.
 RENTABLE UNIT AREA: REF SHEET A1.02
 RENTABLE UNIT OCCUPANCY: 107

STOR. / MECH-

OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 300 SF/OCC.
 GROSS AREA: 494 SF
 OCCUPANT LOAD: 2

TOTAL RESIDENTIAL OCCUPANCY- 109
TOTAL BUILDING OCCUPANCY- 109

1 EGRESS PLAN - SECOND FLOOR
 SCALE: 3/32" = 1'-0"

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 CIBOLO, TX 78108
 BORGFIELD HOUSING



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SHEET CONTENTS:
 SECOND FLOOR
 OCCUPANCY & EGRESS PLAN

SHEET NO. A1.02b

Designed by:	MS	
Drawn by:	VK	
Architect of Record:	VK	
Date Plotted:	12/20/17	
Issue for Pricing / Bidding:	11/10/16	
Issue for Permit Application:	11/10/16	
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SYMBOL LEGEND - EGRESS

XX	OCCUPANTS PER SPACE	---	1 HR FIRE PARTITION
X	ACTUAL USE PER EXIT	---	2 HR FIRE BARRIER
X	UNIT TYPE	---	2 HR FIRE WALL
V EXIT	VERTICAL EXIT	---	3 HR FIRE WALL
H EXIT	HORIZONTAL EXIT: DOORS WITH AUTOMATIC CLOSER	---	COMMON PATH OF EGRESS TRAVEL
*	PROVIDE PANIC HARDWARE	---	PATH OF EGRESS TRAVEL/ EXIT SEPARATION
		---	MAXIMUM TRAVEL DISTANCE

STAIR	STAIR WIDTH (IN.):	---	ACTUAL STAIR WIDTH
	STAIR CAPACITY (0.2/OCC):	---	NUMBER OF OCCUPANTS ALLOWED
	ACTUAL USE:	---	ACTUAL NUMBER OF OCCUPANTS

DOOR	DOOR WIDTH (IN.):	---	ACTUAL DOOR WIDTH
	DOOR CLEAR WIDTH (IN.):	---	NUMBER OF OCCUPANTS ALLOWED
	DOOR CAPACITY:	---	ACTUAL NUMBER OF OCCUPANTS
	ACTUAL USE:	---	

- ### EGRESS NOTES
1. AN EXIT IS THAT PORTION OF A MEANS OF EGRESS SYSTEM WHICH IS SEPARATED FROM OTHER INTERIOR SPACES OF A BUILDING OR STRUCTURE BY FIRE-RESISTANCE RATED CONSTRUCTION AND OPENING PROTECTIVE AS REQUIRED TO PROVIDE A PROTECTED PATH OF EGRESS TRAVEL BETWEEN THE EXIT ACCESS AND THE EXIT DISCHARGE. EXITS INCLUDE EXTERIOR EXIT DOORS AT GROUND LEVEL, EXIT ENCLOSURES, EXIT PASSAGEWAYS, EXTERIOR EXIT STAIRS.
 2. EXIT ACCESS TRAVEL DISTANCE IS MEASURED FROM THE MOST REMOTE POINT WITHIN A STORY TO THE ENTRANCE TO AN EXIT ALONG THE NATURAL AND UNOBSTRUCTED PATH OF EGRESS TRAVEL. (BC 2015 TABLE 1016.2)
 3. A COMMON PATH OF EGRESS TRAVEL IS THAT PORTION OF EXIT ACCESS, WHICH THE OCCUPANTS ARE REQUIRED TO TRAVERSE BEFORE TWO SEPARATE AND DISTINCT PATHS OF EGRESS TRAVEL TO TWO EXITS ARE AVAILABLE. PATHS THAT MERGE ARE COMMON PATHS OF TRAVEL. COMMON PATHS OF EGRESS TRAVEL SHALL BE INCLUDED WITHIN THE PERMITTED TRAVEL DISTANCE. (BC 2015 SECTION 1008.4.2 (1) & 1008.4.2 (2))
 - 3.1. GROUP R-2 OCCUPANCY = 250 FEET WITH NFPA 13 SPRINKLER SYSTEM
 - 3.2. GROUP R-2 OCCUPANCY = 125 FEET WITH NFPA 13 SPRINKLER SYSTEM
 - 3.2. GROUP A-3 OCCUPANCY = 75 FEET WITH NFPA 13 SPRINKLER SYSTEM
 4. UNRATED OPENINGS ARE ALLOWED IN THE EXTERIOR WALLS OF AN EXIT ENCLOSURE BECAUSE NO WALLS OR OPENINGS ARE EXPOSED BY OTHER PARTS OF THE BUILDING AT AN ANGLE OF LESS THAN 180 DEGREES.
 5. YARDS, PATIOS, COURTS AND SIMILAR OUTDOOR AREAS ACCESSIBLE TO AND USABLE BY THE BUILDING OCCUPANTS SHALL BE PROVIDED WITH MEANS OF EGRESS AS REQUIRED BY THE BUILDING CODE. THE OCCUPANT LOAD OF SUCH OUTDOOR AREAS SHALL BE ASSIGNED BY THE BUILDING OFFICIAL IN ACCORDANCE WITH THE ANTICIPATED USE. ALL PARKING COURTS HAVE NO LESS THAN TWO EXITS.
 6. ALL DOORS OR GATES LOCATED ALONG THE PATH OF EGRESS SHALL SWING IN THE DIRECTION OF TRAVEL WHERE SERVING AN OCCUPANT LOAD OF 50 OR MORE PERSONS.
 7. DEAD END CORRIDOR: 50 FEET (2015 IBC 1020.4 EXC. 2) OR OCCUPANCY GROUP F AND B.
 8. ACCESSIBLE MEANS OF EGRESS STAIRWAY (2015 IBC 1009.3)
 - 8.1 THE CLEAR WIDTH OF 48" BETWEEN HANDRAILS IS NOT REQUIRED IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 2)
 - 8.2 AREA OF REFUSE NOT REQUIRED IN AT STAIRWAYS IN BUILDINGS EQUIPPED WITH NFPA 13 SPRINKLER SYSTEM (2015 IBC 1009.3 EXC. 3)

BUILDING I - LEVEL 2:

RESIDENTIAL OCCUPANCY-

OCCUPANCY TYPE: R2
 LOAD RATIO: 200 SF/OCC.
 RENTABLE UNIT AREA: REF SHEET A1.02
 RENTABLE UNIT OCCUPANCY: 98

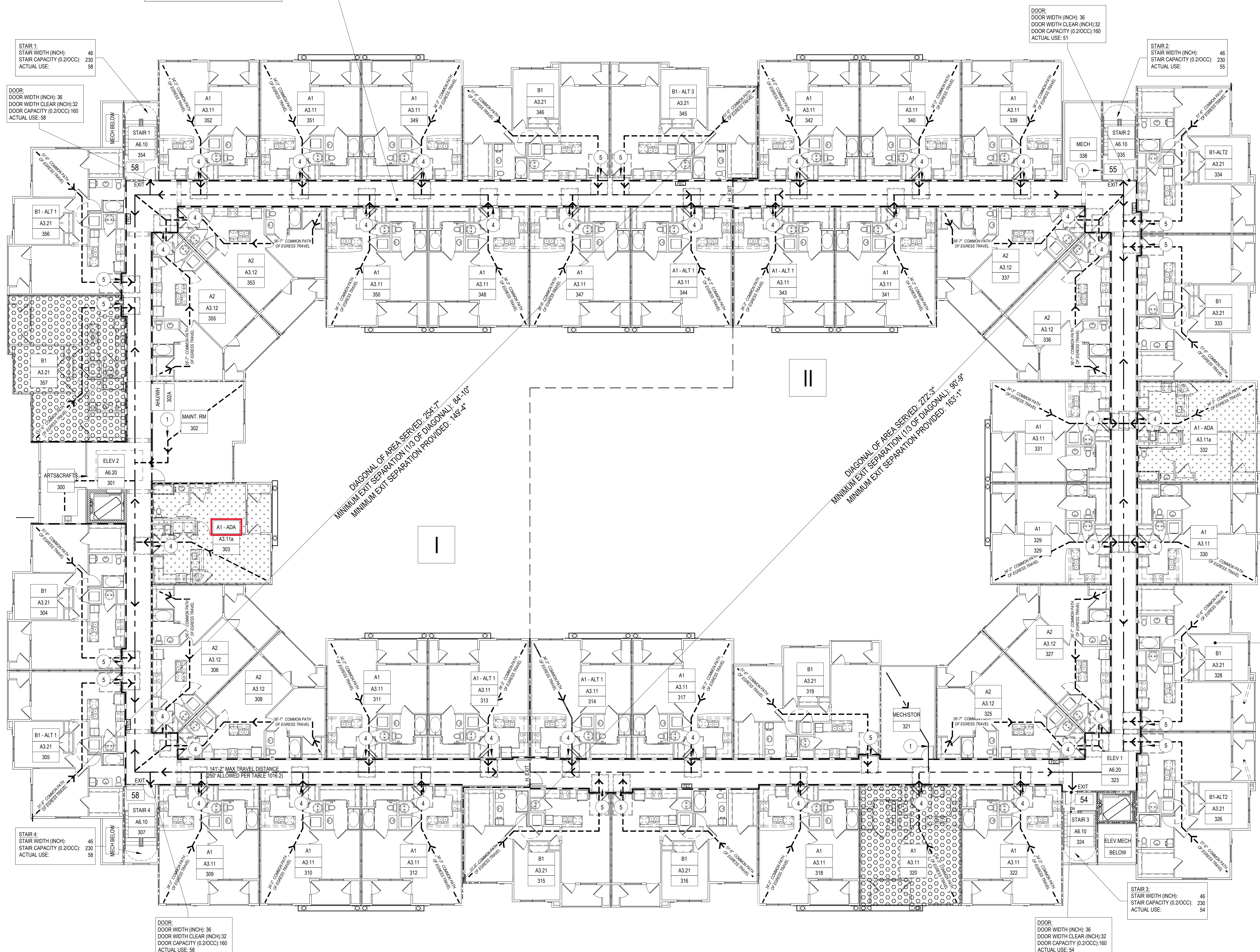
STOR. / MECH. - ACCESSORY USE TO R2
 OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 300 SF/OCC.
 GROSS AREA: 494 SF
 OCCUPANT LOAD: 2

ART ROOM - ACCESSORY USE TO R2
 OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 15 SF/OCC.
 GROSS AREA: 243 SF
 OCCUPANT LOAD: 16

TOTAL RESIDENTIAL OCCUPANCY- 116

TOTAL BUILDING OCCUPANCY- 116

ADA = 1A1



BUILDING II - LEVEL 2:

RESIDENTIAL OCCUPANCY-

OCCUPANCY TYPE: R2
 LOAD RATIO: 200 SF/OCC.
 RENTABLE UNIT AREA: REF SHEET A1.02
 RENTABLE UNIT OCCUPANCY: 107

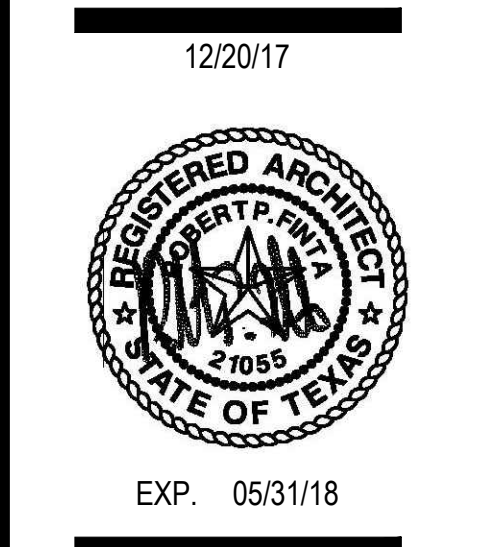
STOR. / MECH. - ACCESSORY USE TO R2
 OCCUPANCY TYPE: ACCESSORY USE TO R2
 LOAD RATIO: 300 SF/OCC.
 GROSS AREA: 494 SF
 OCCUPANT LOAD: 2

TOTAL RESIDENTIAL OCCUPANCY- 109

TOTAL BUILDING OCCUPANCY- 109

1 EGRESS PLAN- THIRD FLOOR
 SCALE: 3/32" = 1'-0"

BORGFIELD MANOR APARTMENTS
 213 SOMERSET AVENUE
 CIBOLO, TX 78108
 BORGFIELD HOUSING



HUMPHREYS & PARTNERS ARCHITECTS, L.P.
 5339 ALPHA ROAD, SUITE 300, DALLAS, TEXAS 75240
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 SAN RAMON - SCOTTSDALE - EDMONTON - TORONTO - MONTEVIDEO
 www.humphreys.com

SHEET CONTENTS:
 THIRD FLOOR
 OCCUPANCY & EGRESS PLAN

SHEET NO.



STUCCO - 56 %
STONE VENEER-44%

FRONT ELEVATION

NOTE:
ALL OTHER SIDES ARE SIMILAR
IN COMPOSITION AS THE FRONT

SCALE: 3/32" = 1'-0" (24"x36" SHEET)
0' 16' 32' 64'

BLDG TYPE I ELEVATIONS

A 413

BORGFELD MANOR
BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



HUMPHREYS & PARTNERS ARCHITECTS L.P.

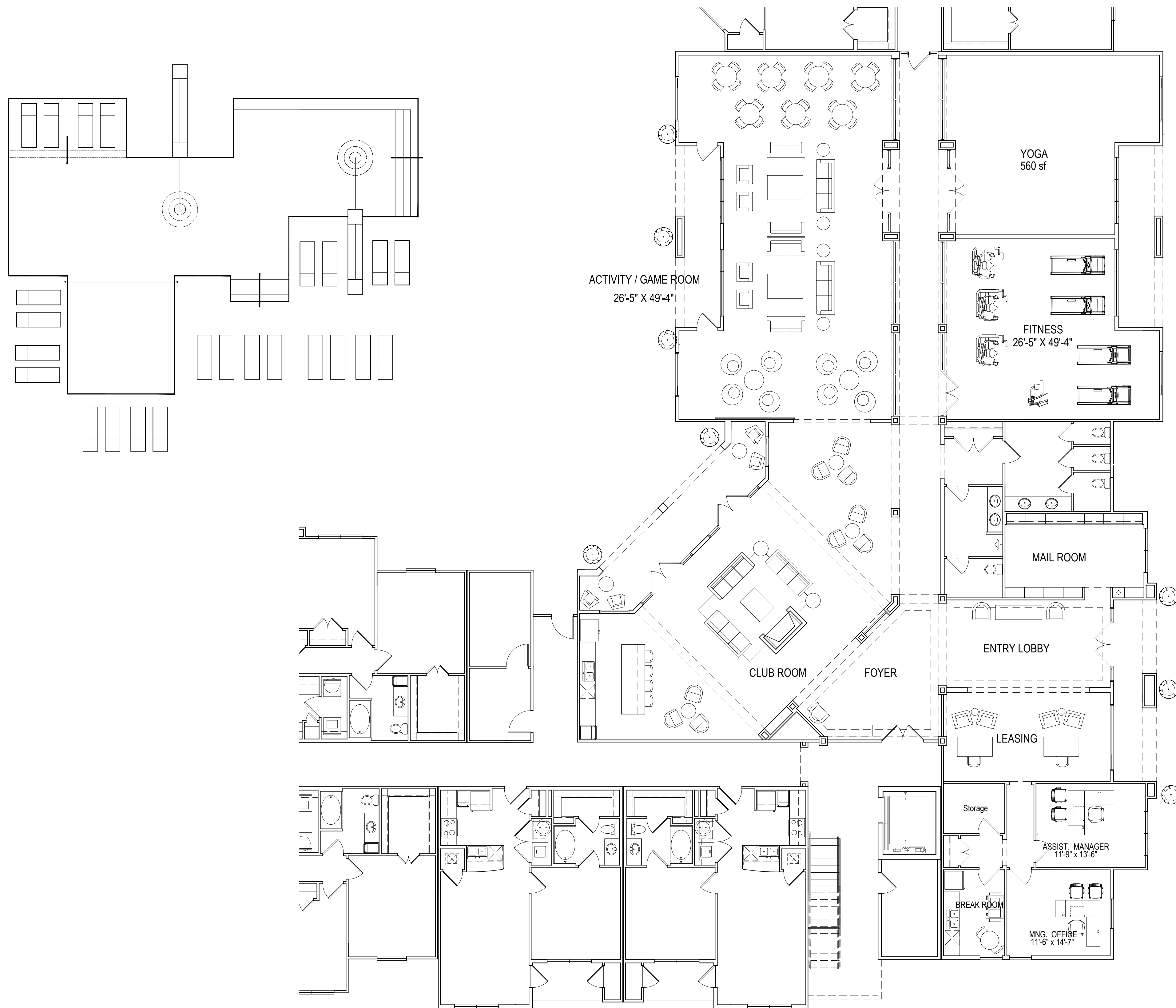
5339 Alpha Road, Suite 300 Dallas, TX 75240 (972) 701-9636 (972) 701-9639

www.humphreys.com marketing@humphreys.com

DALLAS CHICAGO NEW YORK NEWPORT BEACH NEW ORLEANS ORLANDO SAN RAMON SCOTTSDALE
TORONTO EDMONTON MONTEVIDEO DUBAI HANOI

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only. Revisions may occur due to further investigation from
regulatory authorities and building code analysis. Dimensions
shown are of a strategic intent only. Refer to surveys and civil
drawings for technical information and measurements.



CLUB HOUSE FLOOR PLAN

AC AREA: 6,469 SF

GROSS AREA: 7,157 SF

CLUBHOUSE

**BORGFELD MANOR
BORGFELD HOUSING LP**

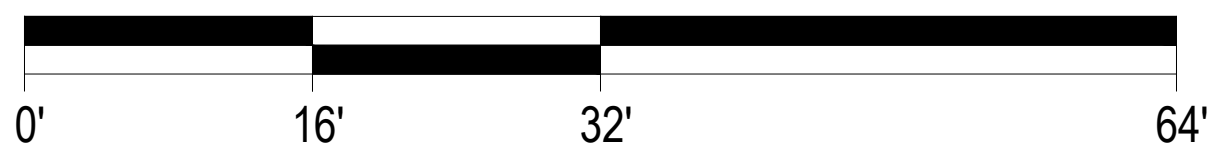
CIBOLO, Texas.

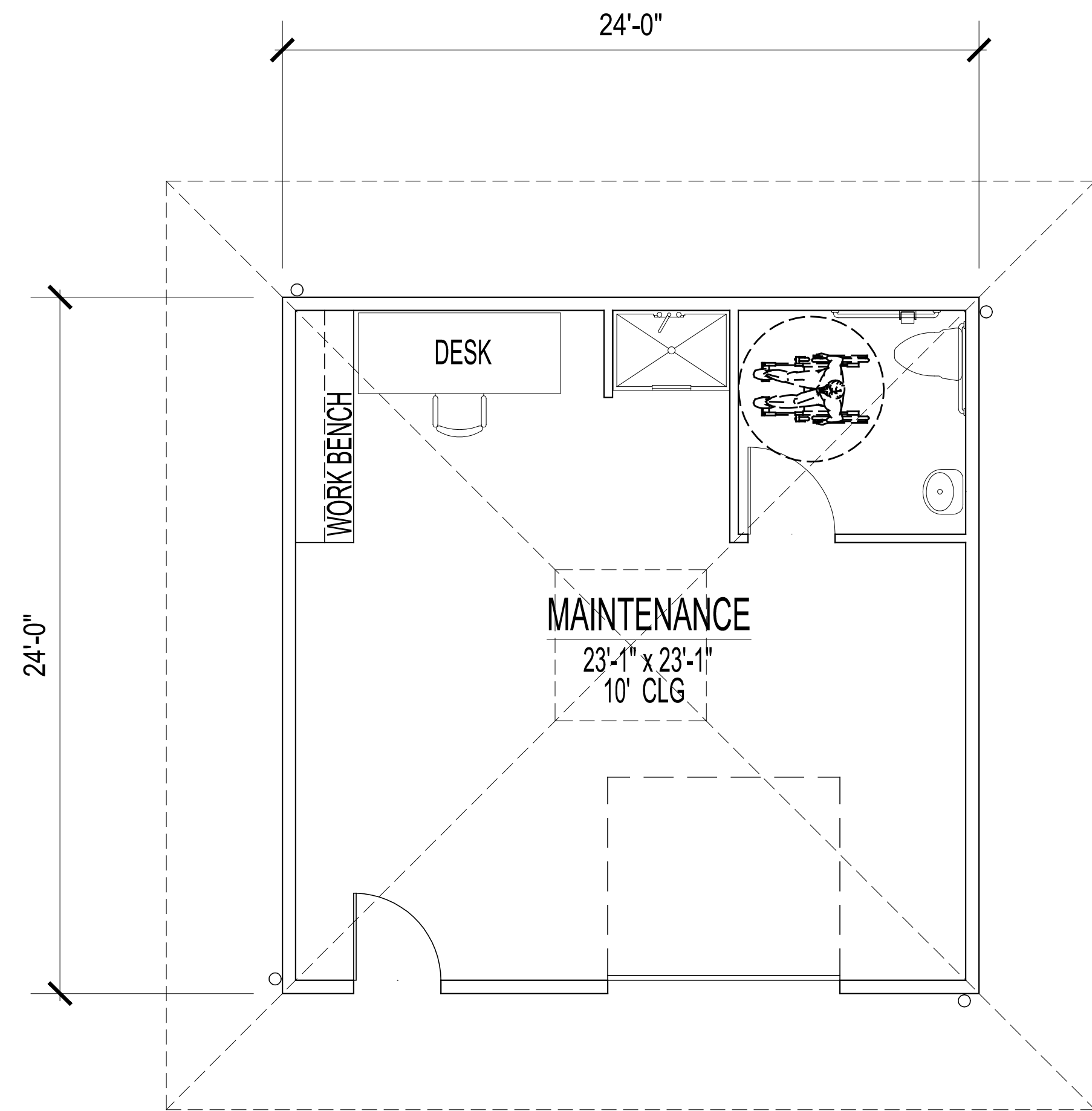
Feb 29, 2016

HPA#15032

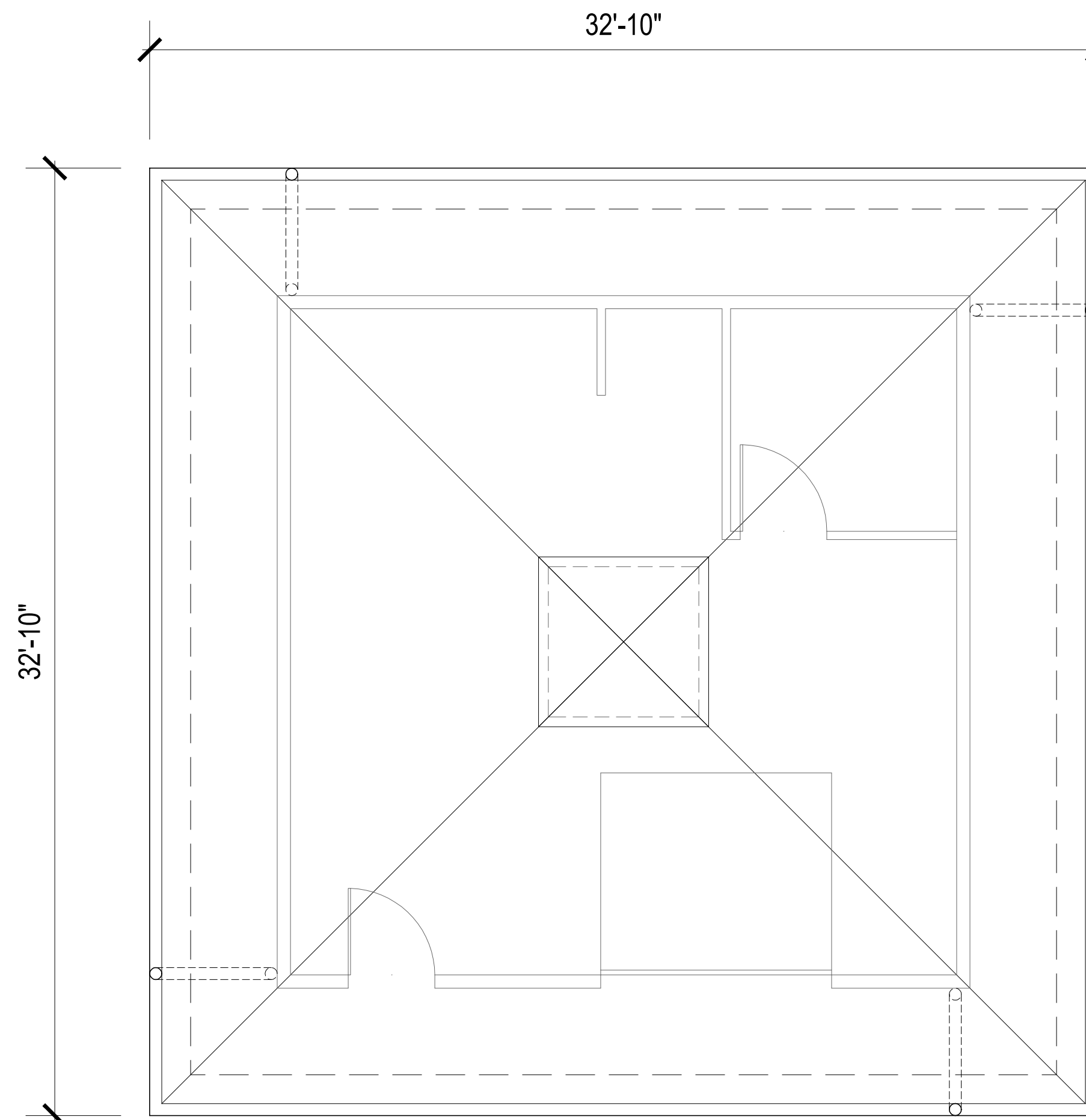
A 801

SCALE: 3/32" = 1'-0" (24"x36" SHEET)

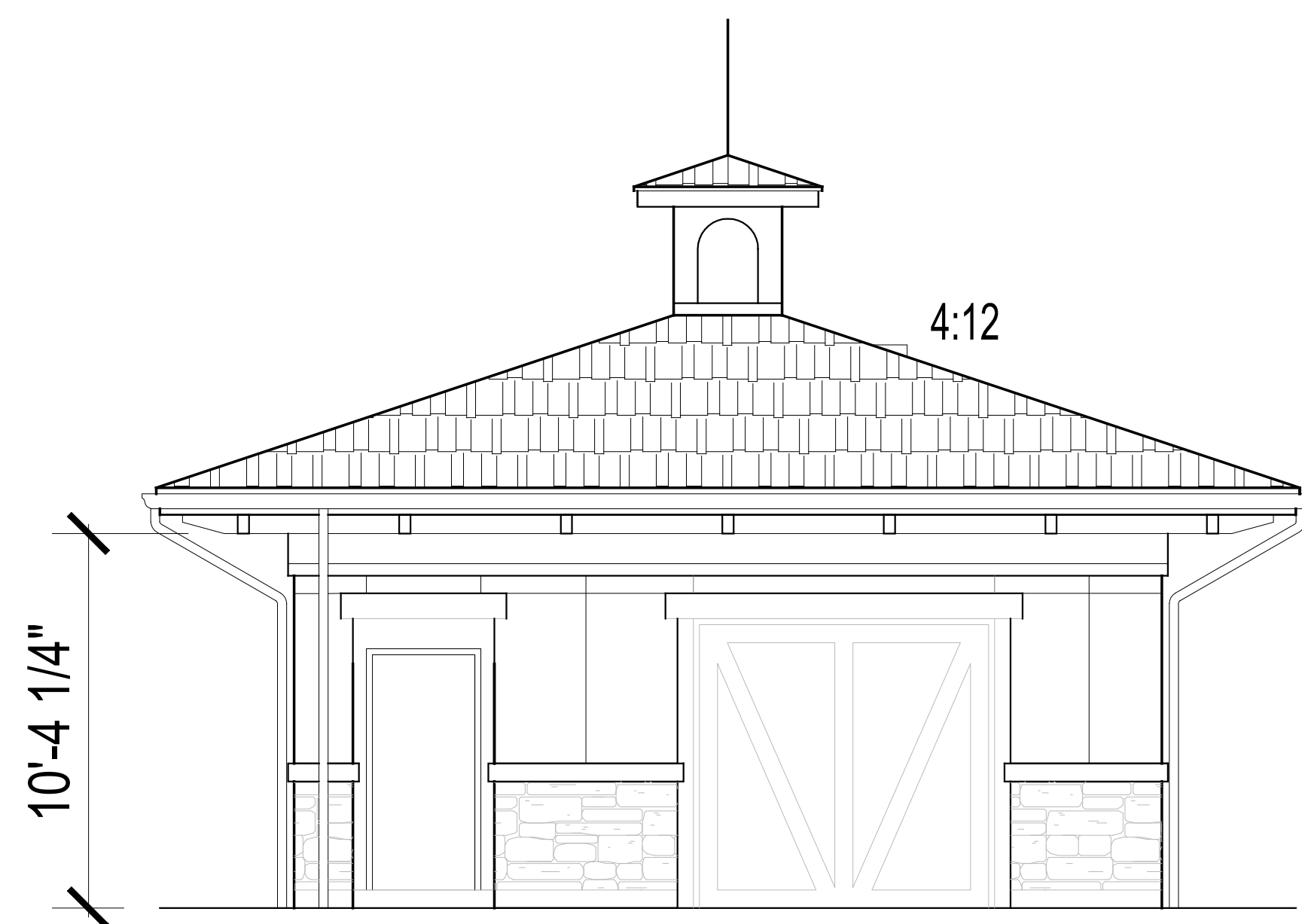




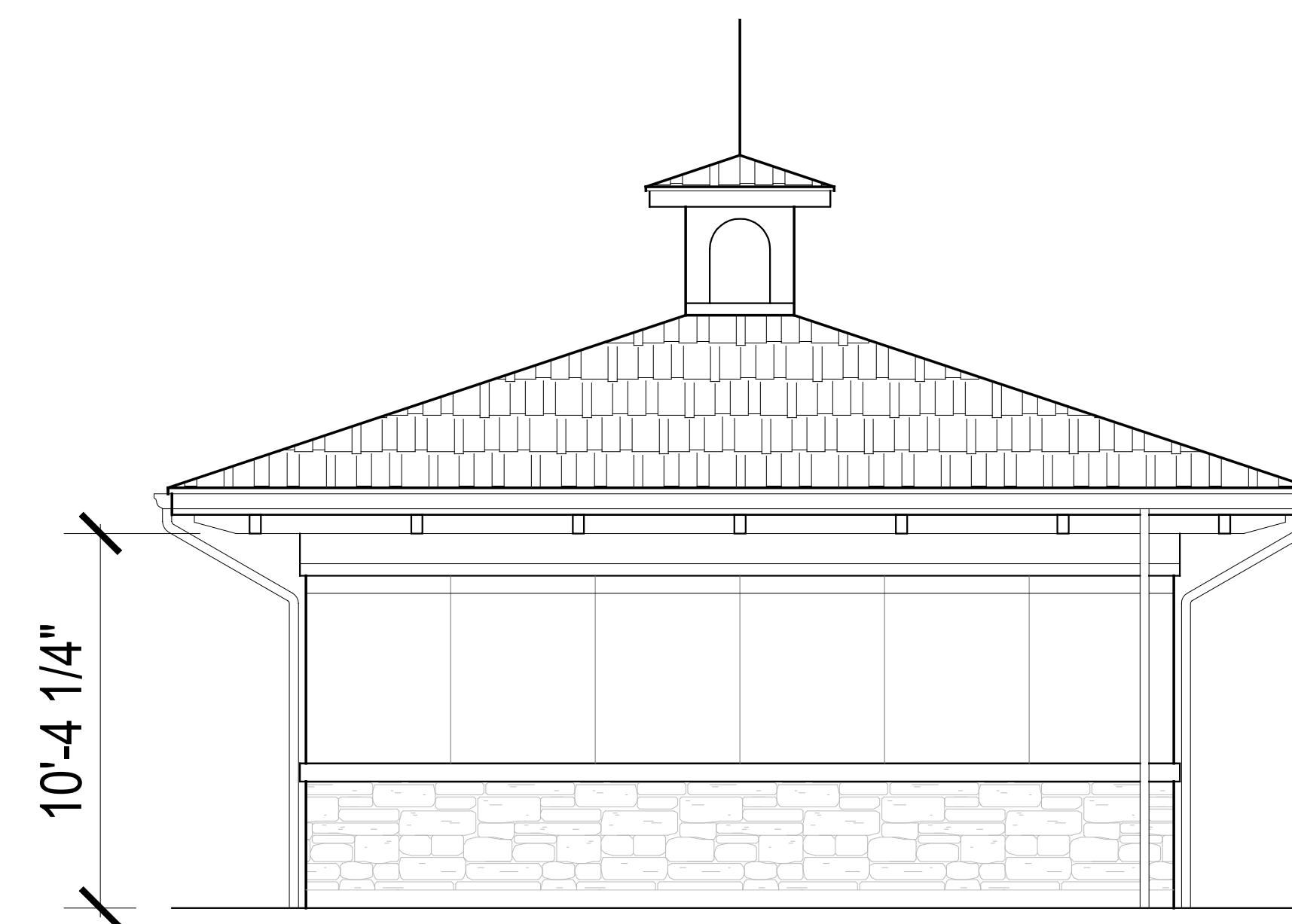
BUILDING PLAN
576 net s.f.



ROOF PLAN

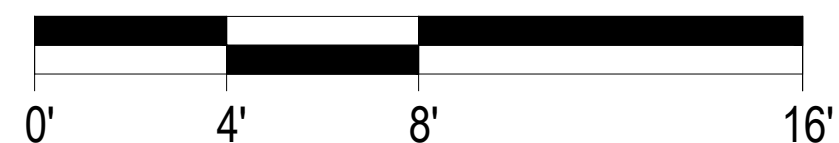


FRONT ELEVATION STONE 34%
CEMENTICIOUS PANEL 66%



SIDES AND REAR ELEVATIONS

SCALE: 1/4" = 1'-0" (24"x36" SHEET)



MAINTENANCE BUILDING FLOOR PLAN, ROOF PLAN AND ELEVATIONS

A 901

BORGFELD MANOR
BORGFELD HOUSING LP

Feb 26, 2016

CIBOLO, Texas.

HPA#15032



HUMPHREYS & PARTNERS ARCHITECTS L.P.

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www.humphreys.com marketing@humphreys.com

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SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):	<input type="checkbox"/> Single Family Construction	<input type="checkbox"/> SRO	<input type="checkbox"/> Transitional (per §42(i)(3)(B))	<input type="checkbox"/> Duplex
	<input type="checkbox"/> Scattered Site	<input type="checkbox"/> Fourplex	<input checked="" type="checkbox"/> > 4 Units Per Building	<input type="checkbox"/> Townhome

Development will have:	<input checked="" type="checkbox"/> Fire Sprinklers	<input checked="" type="checkbox"/> Elevators	<input type="checkbox"/> # of Elevators	<input type="checkbox"/> 2500/3500 Wt. Capacity
-------------------------------	---	---	---	---

Number of Parking Spaces (consistent with Architectural Drawings):	Free Paid		Free Paid	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Shed or Flat Roof Carport Spaces		Detached Garage Spaces	
	<input type="checkbox"/> Attached Garage Spaces		<input type="checkbox"/> Uncovered Spaces	
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> 240	<input type="checkbox"/>
	<input type="checkbox"/> Structured Parking Garage Spaces			

Floor Composition/Wall Height:		<input type="checkbox"/> % Carpet/Vinyl/Resilient Flooring	<input type="checkbox"/> % Ceramic Tile	<input type="checkbox"/> % Other	<input type="checkbox"/> Describe: _____	<input type="checkbox"/> Ceiling Height	<input type="checkbox"/> Upper Floor(s) Ceiling Height (Townhome Only)
	<input checked="" type="checkbox"/> 100					<input checked="" type="checkbox"/> 9	

Unit Type			Number of Units Per Building							Total # of Residential Buildings	Total # of Units		Total Sq Ft for Unit Type
Building Label	Number of Stories	Number of Buildings								1			
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building							Total # of Units	Total Sq Ft for Unit Type	
A1	1	1	675	77							77	51,975	
A2	1	1	675	22							22	14,850	
B1	2	1	900	37							37	33,300	
											-	-	
											-	-	
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Totals				136	-	-	-	-	-	-	136	100,125	

Net Rentable Square Footage from Rent Schedule **100,125**

Supportive Housing Applicants Only

Enter the total development common area from the architect's plans:

Ensure that this number matches your architectural drawings.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

The lesser of these two numbers added to NRA:

Use this number to figure points under 11.9(e)(2)

If a revised form is submitted, date of submission:

SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

Specifications and Amenities (check all that apply)

Building Configuration (Check all that apply):
 Single Family Construction SRO Transitional (per §42(i)(3)(B)) Duplex
 Scattered Site Fourplex > 4 Units Per Building Townhome

Development will have: Fire Sprinklers Elevators # of Elevators 2500/3500 Wt. Capacity

Number of Parking Spaces (consistent with Architectural Drawings):
 Free Paid Shed or Flat Roof Carport Spaces Free Paid Detached Garage Spaces

 Attached Garage Spaces Uncovered Spaces
 Structured Parking Garage Spaces 237

Floor Composition/Wall Height: 100 % Carpet/Vinyl/Resilient Flooring 9 Ceiling Height
 % Ceramic Tile Upper Floor(s) Ceiling Height (Townhome Only)
 % Other Describe: _____

Unit Type				Number of Buildings	Number of Units Per Building										Total # of Residential Buildings	Total # of Units	Total Sq Ft for Unit Type										
Building Label	Number of Stories	# of Bedrooms	# of Baths		1	2	3	4	5	6	7	8	9	10				11	12	13	14	15	16	17	18	19	20
A1	1	1	1	1	77																				77	51,975	
A2	1	1	1	1	22																					22	14,850
B1	2	1	1	1	37																					37	33,300
Totals					136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136	100,125

Net Rentable Square Footage from Rent Schedule

Supportive Housing Applicants Only

Enter the total development common area from the architect's plans:
 Ensure that this number matches your architectural drawings.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

The lesser of these two numbers added to NRA:
 Use this number to figure points under 11.9(e)(2)

If a revised form is submitted, date of submission:

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.

Mobility	Total Units	Required %	Calculated Units	Units Required	Units Proposed
Unit Description	136	5%	6.8	7	7
1/1 (675 sqft)	99	5%	4.95	4.95	5
2/2 (911 sqft)	37	5%	1.85	1.85	2
C		5%	0	0	
D		5%	0	0	
E		5%	0	0	
	136		6.8	6.8	7

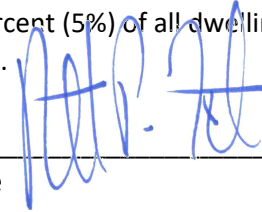
***NOTE:** If total is more than what is required, Applicant will select which Unit(s) not to include Under "Units Proposed"

~~EXAMPLE:~~

Unit Description	Total Units	Required %	Calculated Units	Units Required	Units Proposed
	68	5%	3.4	4	4
1/1 (874sqft & 806	28	5%	1.4	1.4	1
2/2 (950 sqft & 100	36	5%	1.8	1.8	2
3/2 (1120 sqft & 11	4	5%	0.2	1	1
D		5%	0	0	
E		5%	0	0	
	68		3.4	4.2	4

***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

Robert Finta

Printed Name

November 30, 2018

Humphreys & Partners Architects, L.P.

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	Total Units	Required %	Calculated Units	Units Required (Rounded)	Units Proposed
Unit Description	136	2%	2.72	3	3
1/1 (675 sqft)	99	2%	1.98	1.98	2
2/2 (911 sqft)	37	2%	0.74	1	1
		2%	0	0	
		2%	0	0	
		2%	0	0	
	136		2.72	2.98	3

*NOTE: If total is more than what is required, Applicant will select which to include under "Units Proposed"

EXAMPLE

Hearing/Visual	Total Units	Required %	Calculated Units	Units Required (Rounded)	Units Proposed
Unit Description	68	2%	1.36	2	2
1/1	28	2%	0.56	1	1
2/2	36	2%	0.72	1	1
3/3	4	2%	0.08	1	
D		2%	0	0	
E		2%	0	0	
	68		1.36	3	2

*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

November 30, 2018

Date

Robert Finta

Printed Name

Humphreys & Partners Architects, L.P.

Firm Name (If applicable)

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.ada.gov/regs2010/2010ADASTandards/2010ADASTandards.](https://www.ada.gov/regs2010/2010ADASTandards/2010ADASTandards.)

[-https://www.huduser.gov/publications/pdf/fairhousing/](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!

Total # of Spaces:	237	Percentage of Total
Surface lot	237	1
		0
		0
		0
		0
	237	100

~~EXAMPLE*~~

Total # of Spaces:	450	Percentage of Total
Surface lot	300	0.666666667
Carports	100	0.222222222
Garages	50	0.111111111
Facility 4		
Facility 5		0
	450	100

Use this chart to figure out accessible parking requirements.

chart above must be completed first

In C32, enter the total number of accessible spaces required

(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

# Accessible Spaces:	8	Distribution	Van Spaces
Surface lot	8	6	2
	0	0	
	0	0	
	0	0	
	0	0	
Total	8	6	2

~~EXAMPLE*~~

# Accessible Spaces:	16	Distribution	Van Spaces
Surface lot	10.666667	10	1
Carports	3.555556	4	1
Garages	1.777778	2	1
Facility 4	0	0	0
Facility 5	0	0	0
Total	16	16	3

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

Robert Finta
Printed Name

November 30, 2018
Date

Humphreys & Partners Architects, L.P.
Firm Name (If applicable)

Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%			0
	TC40%			0
	TC50%	100%	32%	8
	TC60%			0
	HTC LI Total			8
	EO			0
	MR			17
	MR Total			17
	Total Units			25
MORTGAGE REVENUE BOND	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
	MRB Total			0

		% of LI	% of Total	
NATIONAL HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0
	DIRECT LOAN	30%	100%	100%
LH/50%				0
HH/60%				0
HH/80%				0
Direct Loan LI Total				8
EO				0
MR				0
MR Total			0	
Direct Loan Total			8	
OTHER	Total OT Units			0

BEDROOMS	0			0
	1			99
	2			37
	3			0
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO
Cost Per Sq Ft	\$ 134.42	SCORE POINTS UNDER 11.9(e)(2). At the
HARD		end of the Development Cost Schedule,
Cost Per Sq Ft	\$ 134.42	you will have the ability to adjust your
BUILDING		eligible costs to qualify. Points will be
Cost Per Sq Ft	\$ 99.08	entered there.

Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING TAX CREDITS	TC30%	10%	9%	12
	TC40%			0
	TC50%	40%	35%	48
	TC60%	50%	43%	59
	HTC LI Total			119
	EO			0
	MR			17
	MR Total			17
	Total Units			136
MORTGAGE REVENUE BOND	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB LI Total			0
	MRBMR			0
	MRBMR Total			0
	MRB Total			0

		% of LI	% of Total	
NATIONAL HOUSING TRUST FUND	HTF30%			0
	HTF40%			0
	HTF50%			0
	HTF60%			0
	HTF80%			0
	HTF LI Total			0
	MR			0
	MR Total			0
	HTF Total			0
DIRECT LOAN	30%	100%	100%	8
	LH/50%			0
	HH/60%			0
	HH/80%			0
	Direct Loan LI Total			8
	EO			0
	MR			0
	MR Total			0
	Direct Loan Total			8
OTHER	Total OT Units			0

BEDROOMS	0			0
	1			99
	2			37
	3			0
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO
Cost Per Sq Ft	\$ 134.42	SCORE POINTS UNDER 11.9(e)(2). At
HARD		the end of the Development Cost
Cost Per Sq Ft	\$ 134.42	Schedule, you will have the ability to
BUILDING		adjust your eligible costs to qualify.
Cost Per Sq Ft	\$ 99.08	Points will be entered there.



Texas Department of Housing and Community Affairs Rent and Income Limits¹ (As of 5/22/2018)

Project: 18509

Instructions:

- (1) Choose the county in which your project is located.
- (2) If your project is located within the boundaries of one of the designated places listed in the drop down menu then make the appropriate selection. If the location is not listed, then choose the "Not Listed" option.
- (3) Please select the financing applicable for your project. Units financed with HOME, NSP, or tax exempt bonds and 4% tax credits are not eligible to use the National Non-Metro limits.
- (4) Choose the date the first building in the project (as defined on line 8b of the 8609) was placed in service or for State Housing Trust Fund, the date of your LURA. For HOME, NSP or National Housing Trust Fund, select "N/A."
- (5) Select the date based on the execution date of your property's Carryover Agreement, Determination Notice or Subaward Agreement Date. For State Housing Trust Fund, select the date of your LURA. For HOME, NSP or National Housing Trust Fund select "N/A." See footnote 3 for more details.

PLEASE COMPLETE ALL FIELDS.

(1) County: Guadalupe

(2) Place:² Cibolo

(3) Financing: HOME/TCAP RF

(4) LURA Date: N/A - (For HOME, NSP or National HTF only)

(5) LURA Date (should be same selection as above):
N/A - (For HOME, NSP or National HTF only)

(6) For HOME/NSP ONLY:

New leases and lease renewals (including month to month leases):
On or After 6/01/2018

INCOME LIMITS

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
30	\$ 14,050	\$ 16,050	\$ 18,050	\$ 20,050	\$ 21,700	\$ 23,300	\$ 24,900	\$ 26,500
40	\$ 18,720	\$ 21,400	\$ 24,080	\$ 26,720	\$ 28,880	\$ 31,000	\$ 33,160	\$ 35,280
50	\$ 23,400	\$ 26,750	\$ 30,100	\$ 33,400	\$ 36,100	\$ 38,750	\$ 41,450	\$ 44,100
60	\$ 28,080	\$ 32,100	\$ 36,120	\$ 40,080	\$ 43,320	\$ 46,500	\$ 49,740	\$ 52,920
80	\$ 37,450	\$ 42,800	\$ 48,150	\$ 53,450	\$ 57,750	\$ 62,050	\$ 66,300	\$ 70,600
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RENT LIMITS

AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
30	\$351	\$376	\$451	\$521	\$582	\$642
40	\$468	\$501	\$602	\$695	\$775	\$855
Low	\$585	\$626	\$752	\$868	\$968	\$1,069
High	\$649	\$801	\$1,001	\$1,147	\$1,260	\$1,371
65						
80						

1. The Texas Department of Housing and Community Affairs (the "Department" or TDHCA) has posted to its website the 2018 Income and rent limit tool. This tool was developed for use by TDHCA staff, primarily in the Compliance Division, to determine whether income and rent limits prescribed by law were being met, and the tool is being shared with the public solely as a courtesy. This tool is NOT to be considered as either a definitive or exclusive statement or application of law or as legal advice. Neither the tool itself nor any output from or conclusions drawn from the tool may be relied upon as conclusively correct information or used a defense to any contrary determination, finding, conclusion, or assertion by any relevant or cognizant oversight or enforcement entity (including TDHCA) of an applicable rent or income limit. Again, these are simply the income and rent limits that the Department expects to use when monitoring. It is anticipated that from time to time as the Department identifies aspects of the tool that it needs to amend, correct, or improve, it will do so, but the Department cannot and does not commit to providing notifications or changes to the tool as posted on its website or as used by TDHCA staff.

2. The "Place" field is used to determine whether the property is eligible to use the National Non-Metropolitan Median Income limits. Not all Places or Cities in Texas are shown. If you are located outside of the boundaries of a designated Place then select "Not Listed" even if your mailing address reflects the place name.

3. For Housing Trust Fund, select the date of the Land Use Restriction Agreement. For HOME, NSP, or National Housing Trust Fund, select 'N/A'.

4. The 2018 Housing Tax Credit limits are effective 4/1/2018. The NSP income limits are effective 6/1/2018. The Community Planning Division (CPD) of HUD released the 2018 HOME Program income limits effective 6/1/2018 and rent limits that are effective for all new leases and lease renewals after 6/1/2018. The National Housing Trust Fund income and rent limits are effective 6/1/2018.

5. For Housing Tax Credit project(s) that place in service or execute a Carryover Agreement within 45 days after HUD releases the MTSP Income limits where the newly released limits reflect a decrease, IRS Revenue Ruling 94-57 allows the owner to rely on either limit.



Texas Department of Housing and Community Affairs Rent and Income Limits¹ (As of 5/22/2018)

Project: 18509

Instructions:

- (1) Choose the county in which your project is located.
- (2) If your project is located within the boundaries of one of the designated places listed in the drop down menu then make the appropriate selection. If the location is not listed, then choose the "Not Listed" option.
- (3) Please select the financing applicable for your project. Units financed with HOME, NSP, or tax exempt bonds and 4% tax credits are not eligible to use the National Non-Metro limits.
- (4) Choose the date the first building in the project (as defined on line 8b of the 8609) was placed in service or for State Housing Trust Fund, the date of your LURA. For HOME, NSP or National Housing Trust Fund, select "N/A."
- (5) Select the date based on the execution date of your property's Carryover Agreement, Determination Notice or Subaward Agreement Date. For State Housing Trust Fund, select the date of your LURA. For HOME, NSP or National Housing Trust Fund select "N/A." See footnote 3 for more details.

PLEASE COMPLETE ALL FIELDS.

(1) County: Guadalupe

(2) Place:² Cibolo

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On or After 5/17/2018

(5) Carryover / Determination Notice / Subaward Agreement Date:
On or After 5/17/2018

INCOME LIMITS

2018 Area Median Income: \$66,800

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
30	\$ 14,040	\$ 16,050	\$ 18,060	\$ 20,040	\$ 21,660	\$ 23,250	\$ 24,870	\$ 26,460
40	\$ 18,720	\$ 21,400	\$ 24,080	\$ 26,720	\$ 28,880	\$ 31,000	\$ 33,160	\$ 35,280
50	\$ 23,400	\$ 26,750	\$ 30,100	\$ 33,400	\$ 36,100	\$ 38,750	\$ 41,450	\$ 44,100
60	\$ 28,080	\$ 32,100	\$ 36,120	\$ 40,080	\$ 43,320	\$ 46,500	\$ 49,740	\$ 52,920
80	\$ 37,440	\$ 42,800	\$ 48,160	\$ 53,440	\$ 57,760	\$ 62,000	\$ 66,320	\$ 70,560
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RENT LIMITS

AMFI %	Number of Bedrooms					
	0	1	2	3	4	5
30	\$351	\$376	\$451	\$521	\$581	\$641
40	\$468	\$501	\$602	\$695	\$775	\$855
50	\$585	\$626	\$752	\$868	\$968	\$1,069
60	\$702	\$752	\$903	\$1,042	\$1,162	\$1,283
65						
80	\$936	\$1,003	\$1,204	\$1,390	\$1,550	\$1,711

1. The Texas Department of Housing and Community Affairs (the "Department" or TDHCA) has posted to its website the 2018 Income and rent limit tool. This tool was developed for use by TDHCA staff, primarily in the Compliance Division, to determine whether income and rent limits prescribed by law were being met, and the tool is being shared with the public solely as a courtesy. This tool is NOT to be considered as either a definitive or exclusive statement or application of law or as legal advice. Neither the tool itself nor any output from or conclusions drawn from the tool may be relied upon as conclusively correct information or used as a defense to any contrary determination, finding, conclusion, or assertion by any relevant or cognizant oversight or enforcement entity (including TDHCA) of an applicable rent or income limit. Again, these are simply the income and rent limits that the Department expects to use when monitoring. It is anticipated that from time to time as the Department identifies aspects of the tool that it needs to amend, correct, or improve, it will do so, but the Department cannot and does not commit to providing notifications or changes to the tool as posted on its website or as used by TDHCA staff.

2. The "Place" field is used to determine whether the property is eligible to use the National Non-Metropolitan Median Income limits. Not all Places or Cities in Texas are shown. If you are located outside of the boundaries of a designated Place then select "Not Listed" even if your mailing address reflects the place name.

3. The "Carryover / Determination Notice / Subaward Agreement Date" field is used to determine whether the property's gross rent floor is based upon a different set of income limits than those used to qualify tenants. For a competitive or 9% HTC property the execution date of the property's Carryover Agreement should be used. For an Exchange Program (i.e. Section 1602) property, the execution date of the property's Subaward Agreement should be used. For a 4% tax credit property, the date of the Determination Notice should be used.

4. The 2018 Housing Tax Credit limits are effective 4/1/2018. The NSP income limits are effective 6/1/2018. The Community Planning Division (CPD) of HUD released the 2018 HOME Program income limits effective 6/1/2018 and rent limits that are effective for all new leases and lease renewals after 6/1/2018. The National Housing Trust Fund income and rent limits are effective 6/1/2018.

5. For Housing Tax Credit project(s) that place in service or execute a Carryover Agreement within 45 days after HUD releases the MTSP Income limits where the newly released limits reflect a decrease, IRS Revenue Ruling 94-57 allows the owner to rely on either limit.

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.

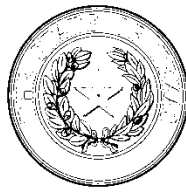
If tenants will be required to pay any other mandatory fees (e.g. renter's insurance) please provide an estimate, description and documentation of those as well.

Utility	Who Pays	Energy Source	0BR	1BR	2BR	3BR	4BR	Source of Utility Allowance & Effective Date
Heating								
Cooking								
Other Electric								
Air Conditioning								
Water Heater								
Water								
Sewer								
Trash								
Flat Fee	Tenant	Electric		\$ 67	\$ 83			TDHCA Approved Energy
Other								Consumption model 10/2/18
Total Paid by Tenant			\$ -	\$ 67	\$ 83	\$ -	\$ -	



Other (Describe)

If a revised form is submitted, date of submission:



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
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Sharon Thomason, Member
Leo Vasquez, Member

October 2, 2018

Writer's direct phone # (512) 475-4603
Email: cody.campbell@tdhca.state.tx.us

Sara Reidy
Borgfeld Housing, LP
Dallas, Texas
sreidy@cldctx.com

RE: El Sereno

CMTS ID: 5219

Dear Ms. Reidy:

The Texas Department of Housing and Community Affairs (Department) has received the request submitted on October 1, 2018, for El Sereno to calculate the utility allowance using the Energy Consumption Model method, described in 10TAC §10.614(c)(3)(D) for the commencement of leasing activities.

Your request is hereby granted. This approval is based on the representation that the residents are financially responsible for electric, that the utility is not paid to or through the owner of the building based on an allocation formula or RUBS; and, that the Development does not have HUD-Regulated buildings, RHS assisted buildings or RHS assisted tenants. Please note that, in accordance with Treasury Regulation §1.42-10, the utility allowance for those units occupied by Section 8 voucher holders remains the applicable Public Housing Authority utility allowance established from where the resident receives the assistance. **The following allowances are approved for the commencement of leasing activities:**

	Energy Consumption Model
1 Bedroom	\$67.00
2 Bedroom	\$83.00

It is the sole responsibility of the owner to implement the allowance to ensure that rents are restricted and, if applicable, all additional rent and occupancy restrictions are met. The Department will review rents during the next onsite monitoring review and, failure to implement timely, will result in noncompliance.

Please be advised that the utility allowance must be reviewed at least once a calendar year. 10TAC§10.614(g) outlines requirements for annual review. If the owner wishes to switch the methodology used to calculate the utility allowance, prior approval from the Department is required.

If you have questions about this review, please contact Cody Campbell at (512) 475-4603 or via email: cody.campbell@tdhca.state.tx.us.

Sincerely,

Cody Campbell
Senior Compliance Monitor



ANNUAL OPERATING EXPENSES

General & Administrative Expenses			
Accounting	\$	11,200	
Advertising	\$	4,000	
Legal fees	\$	5,000	
Leased equipment	\$		
Postage & office supplies	\$	6,500	
Telephone	\$	10,000	
Other	\$	7,500	
Other	\$	<i>describe</i>	
Total General & Administrative Expenses:			\$ 44,200
Management Fee:	Percent of Effective Gross Income:	5.12%	\$ 50,583
Payroll, Payroll Tax & Employee Benefits			
Management	\$	70,000	
Maintenance	\$	60,000	
Other	\$	20,242	
Other	\$	<i>describe</i>	
Total Payroll, Payroll Tax & Employee Benefits:			\$ 150,242
Repairs & Maintenance			
Elevator	\$	16,000	
Exterminating	\$	5,000	
Grounds	\$	15,000	
Make-ready	\$	24,000	
Repairs	\$	28,000	
Pool	\$	3,432	
Other	\$	<i>describe</i>	
Other	\$	<i>describe</i>	
Total Repairs & Maintenance:			\$ 91,432
Utilities (Enter Only Property Paid Expense)			
Electric	\$	39,197	
Natural gas	\$		
Trash	\$	14,847	
Water/Sewer	\$	35,000	
Other	\$	<i>describe</i>	
Other	\$	<i>describe</i>	
Total Utilities:			\$ 89,044
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.26	\$ 26,520
Property Taxes:			
Published Capitalization Rate:	8.00%	Source:	Guadalupe County
Annual Property Taxes	\$	121,324	
Payments in Lieu of Taxes	\$		
Total Property Taxes:			\$ 121,324
Reserve for Replacements:	Annual reserves per unit:	\$ 250	\$ 34,000
Other Expenses			
Cable TV	\$		
Supportive Services (Staffing/Contracted Services)	\$	15,000	
TDHCA Compliance fees	\$	4,760	
TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)	\$		
Security	\$	8,091	
Other	\$	<i>describe</i>	
Other	\$	<i>describe</i>	
Total Other Expenses:			\$ 27,851
TOTAL ANNUAL EXPENSES		Expense per unit: \$ 4671	\$ 635,196
		Expense to Income Ratio: 64.27%	
NET OPERATING INCOME (before debt service)			\$ 353,137
Annual Debt Service			
	\$	307,076	
	\$		
	\$		
	\$		
TOTAL ANNUAL DEBT SERVICE			\$ 307,076
		Debt Coverage Ratio: 1.15	
NET CASH FLOW			\$ 46,061

If a revised form is submitted, date of submission: _____

ANNUAL OPERATING EXPENSES				
General & Administrative Expenses				
Accounting	\$		11,200	
Advertising	\$		4,000	
Legal fees	\$		5,000	
Leased equipment	\$			
Postage & office supplies	\$		6,500	
Telephone	\$		10,000	
Other		<i>Licenses and Fees</i>	\$ 7,500	
Other		<i>describe</i>		
Total General & Administrative Expenses:				\$ 44,200
Management Fee:	Percent of Effective Gross Income:	5.12%		\$ 50,583
Payroll, Payroll Tax & Employee Benefits				
Management	\$		70,000	
Maintenance	\$		60,000	
Other		<i>Payroll Tax, Workers' Comp, and Benefits</i>	\$ 20,242	
Other		<i>describe</i>		
Total Payroll, Payroll Tax & Employee Benefits:				\$ 150,242
Repairs & Maintenance				
Elevator	\$		16,000	
Exterminating	\$		5,000	
Grounds	\$		15,000	
Make-ready	\$		24,000	
Repairs	\$		28,000	
Pool	\$		3,432	
Other		<i>describe</i>		
Other		<i>describe</i>		
Total Repairs & Maintenance:				\$ 91,432
Utilities (Enter Only Property Paid Expense)				
Electric	\$		39,197	
Natural gas	\$			
Trash	\$		14,847	
Water/Sewer	\$		35,000	
Other		<i>describe</i>		
Other		<i>describe</i>		
Total Utilities:				\$ 89,044
Annual Property Insurance:	Rate per net rentable square foot:	\$ 0.26		\$ 26,520
Property Taxes:				
Published Capitalization Rate:	8.00%	Source:	Guadalupe County	
Annual Property Taxes	\$		60,662	
Payments in Lieu of Taxes	\$			
Total Property Taxes:				\$ 60,662
Reserve for Replacements:	Annual reserves per unit:	\$ 250		\$ 34,000
Other Expenses				
Cable TV	\$			
Supportive Services (Staffing/Contracted Services)	\$		15,000	
TDHCA Compliance fees	\$		4,760	
TDHCA Bond Administration Fees (TDHCA as Bond Issuer <u>Only</u>)	\$			
Security	\$		8,091	
Other		<i>describe</i>		
Other		<i>describe</i>		
Total Other Expenses:				\$ 27,851
TOTAL ANNUAL EXPENSES			Expense per unit: \$ 4225	\$ 574,534
			Expense to Income Ratio: 58.13%	
NET OPERATING INCOME (before debt service)				\$ 413,799
Annual Debt Service				
	<i>Citibank</i>	\$	359,825	
		\$		
		\$		
		\$		
TOTAL ANNUAL DEBT SERVICE			Debt Coverage Ratio: 1.15	\$ 359,825
NET CASH FLOW				\$ 53,974

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	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,058,952	\$1,080,131	\$1,101,734	\$1,123,768	\$1,146,244	\$1,265,546	\$1,397,265
Secondary Income	\$ 9,516	\$ 9,706	\$ 9,900	\$ 10,098	\$ 10,300	\$ 11,373	\$ 12,556
POTENTIAL GROSS ANNUAL INCOME	\$1,068,468	\$1,089,837	\$1,111,634	\$1,133,867	\$1,156,544	\$1,276,918	\$1,409,821
Provision for Vacancy & Collection Loss	(\$80,135)	(\$81,738)	(\$83,373)	(\$85,040)	(\$86,741)	(\$95,769)	(\$105,737)
Rental Concessions	\$0						
EFFECTIVE GROSS ANNUAL INCOME	\$988,333	\$1,008,100	\$1,028,262	\$1,048,827	\$1,069,803	\$1,181,149	\$1,304,084
EXPENSES							
General & Administrative Expenses	\$44,200	\$45,526	\$46,892	\$48,299	\$49,747	\$57,671	\$66,856
Management Fee	\$ 50,583	\$ 51,595	\$ 52,627	\$ 53,679	\$ 54,753	\$ 60,451	\$ 66,743
Payroll, Payroll Tax & Employee Benefits	\$ 150,242	\$ 154,749	\$ 159,392	\$ 164,173	\$ 169,099	\$ 196,032	\$ 227,255
Repairs & Maintenance	\$ 91,432	\$ 94,175	\$ 97,000	\$ 99,910	\$ 102,908	\$ 119,298	\$ 138,299
Electric & Gas Utilities	\$ 39,197	\$ 40,373	\$ 41,584	\$ 42,832	\$ 44,117	\$ 51,143	\$ 59,289
Water, Sewer & Trash Utilities	\$ 49,847	\$ 51,342	\$ 52,883	\$ 54,469	\$ 56,103	\$ 65,039	\$ 75,398
Annual Property Insurance Premiums	\$ 26,520	\$ 27,316	\$ 28,135	\$ 28,979	\$ 29,848	\$ 34,603	\$ 40,114
Property Tax	\$ 121,324	\$ 124,964	\$ 128,713	\$ 132,574	\$ 136,551	\$ 158,300	\$ 183,513
Reserve for Replacements	\$ 34,000	\$ 35,020	\$ 36,071	\$ 37,153	\$ 38,267	\$ 44,362	\$ 51,428
Other Expenses	\$ 27,851	\$ 28,687	\$ 29,547	\$ 30,434	\$ 31,347	\$ 36,339	\$ 42,127
TOTAL ANNUAL EXPENSES	\$635,196	\$653,746	\$672,842	\$692,501	\$712,740	\$823,239	\$951,023
NET OPERATING INCOME	\$353,137	\$354,354	\$355,419	\$356,325	\$357,064	\$357,911	\$353,061
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$307,076	\$307,076	\$307,076	\$307,076	\$307,076	\$307,076	\$307,076
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	\$46,061	\$47,278	\$48,343	\$49,249	\$49,988	\$50,835	\$45,985
CUMULATIVE NET CASH FLOW	\$46,061	\$93,338	\$141,681	\$190,931	\$240,918	\$492,974	\$735,024
Debt Coverage Ratio	1.15	1.15	1.16	1.16	1.16	1.17	1.15
Deferred Developer Fee Payments	\$46,061	\$47,278	\$48,343	\$49,249	\$49,988	\$50,835	\$0

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 made during the proforma period should be attached to this exhibit.

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,058,952	\$1,080,131	\$1,101,734	\$1,123,768	\$1,146,244	\$1,265,546	\$1,397,265
Secondary Income	\$ 9,516	\$ 9,706	\$ 9,900	\$ 10,098	\$ 10,300	\$ 11,373	\$ 12,556
POTENTIAL GROSS ANNUAL INCOME	\$1,068,468	\$1,089,837	\$1,111,634	\$1,133,867	\$1,156,544	\$1,276,918	\$1,409,821
Provision for Vacancy & Collection Loss	(\$80,135)	(\$81,738)	(\$83,373)	(\$85,040)	(\$86,741)	(\$95,769)	(\$105,737)
Rental Concessions	\$0						
EFFECTIVE GROSS ANNUAL INCOME	\$988,333	\$1,008,100	\$1,028,262	\$1,048,827	\$1,069,803	\$1,181,149	\$1,304,084
EXPENSES							
General & Administrative Expenses	\$44,200	\$45,526	\$46,892	\$48,299	\$49,747	\$57,671	\$66,856
Management Fee	\$ 50,583	\$ 51,595	\$ 52,627	\$ 53,679	\$ 54,753	\$ 60,451	\$ 66,743
Payroll, Payroll Tax & Employee Benefits	\$ 150,242	\$ 154,749	\$ 159,392	\$ 164,173	\$ 169,099	\$ 196,032	\$ 227,255
Repairs & Maintenance	\$ 91,432	\$ 94,175	\$ 97,000	\$ 99,910	\$ 102,908	\$ 119,298	\$ 138,299
Electric & Gas Utilities	\$ 39,197	\$ 40,373	\$ 41,584	\$ 42,832	\$ 44,117	\$ 51,143	\$ 59,289
Water, Sewer & Trash Utilities	\$ 49,847	\$ 51,342	\$ 52,883	\$ 54,469	\$ 56,103	\$ 65,039	\$ 75,398
Annual Property Insurance Premiums	\$ 26,520	\$ 27,316	\$ 28,135	\$ 28,979	\$ 29,848	\$ 34,603	\$ 40,114
Property Tax	\$ 60,662	\$ 62,482	\$ 64,356	\$ 66,287	\$ 68,276	\$ 79,150	\$ 91,757
Reserve for Replacements	\$ 34,000	\$ 35,020	\$ 36,071	\$ 37,153	\$ 38,267	\$ 44,362	\$ 51,428
Other Expenses	\$ 27,851	\$ 28,687	\$ 29,547	\$ 30,434	\$ 31,347	\$ 36,339	\$ 42,127
TOTAL ANNUAL EXPENSES	\$574,534	\$591,264	\$608,486	\$626,214	\$644,464	\$744,089	\$859,266
NET OPERATING INCOME	\$413,799	\$416,835	\$419,775	\$422,612	\$425,339	\$437,061	\$444,818
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$359,825	\$359,825	\$359,825	\$359,825	\$359,825	\$359,825	\$359,825
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	\$53,974	\$57,010	\$59,950	\$62,787	\$65,514	\$77,236	\$84,993
CUMULATIVE NET CASH FLOW	\$53,974	\$110,984	\$170,935	\$233,722	\$299,236	\$656,111	\$1,061,683
Debt Coverage Ratio	1.15	1.16	1.17	1.17	1.18	1.21	1.24
Deferred Developer Fee Payments	\$53,974	\$57,010	\$59,950	\$62,787	\$65,514	\$0	\$0

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: _____

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.****

A. Activity	B. Labor or Unit Price	C. Materials or # of Units	D. Total Construction Costs	E. Acquisition Costs	F. Engineering / Architectural Costs	G. Total Activity Costs
Off-Site Concrete			\$ 96,000.00			\$ 96,000.00
Water & Fire Hydrants			\$ 25,000.00			\$ 25,000
Off-Site Utilities			\$ 15,000.00			\$ 15,000
Sewer Lateral(s)			\$ 8,000.00			\$ 8,000
Off-Site Paving			\$ 51,000.00			\$ 51,000
Lines 35-37 Hidden						
Total						195,000

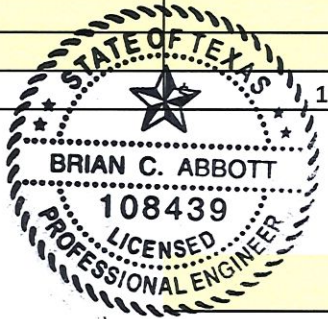
 Signature of Registered Engineer
 responsible for Budget Justification

Brian Abbott

 Printed Name
 11/29/18

 Date

If a revised form is submitted, date of submission:



Deficiency Response #17 MF-1/11/2019_10:43am-bps

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.

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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.

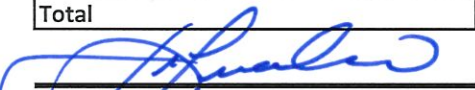
Column F: Engineering/architectural costs must be broken out by the offsite work activity.

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****

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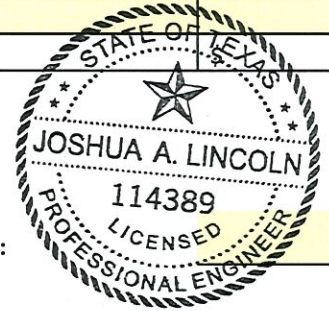
A. Activity	B. Labor or Unit Price	C. Materials or # of Units	D. Total Construction Costs	E. Acquisition Costs	F. Engineering / Architectural Costs	G. Total Activity Costs
Off-Site Concrete			\$ 96,000.00			\$ 96,000.00
Water & Fire Hydrants			\$ 25,000.00			\$ 25,000.00
Off-Site Utilities			\$ 15,000.00			\$ 15,000.00
Sewer Lateral(s)			\$ 8,000.00			\$ 8,000.00
Off-Site Paving			\$ 51,000.00			\$ 51,000.00
Off-Site Electrical			\$ 10,000.00			\$ 10,000.00
Lines 35-37 Hidden						
Total						205,000


 Signature of Registered Engineer responsible for Budget Justification

Joshua A. Lincoln, P.E.
 Printed Name

1-9-2019
 Date

Seal



If a revised form is submitted, date of submission:

HP civil engineering

5339 Alpha Road, Ste #105
Dallas, TX 75240
T: 972.701.9636
F: 972.701.9639

January 9, 2019

Andrew Sinnott
Multifamily Direct Loan Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDHCA #18509 El Sereno Senior Apartments – Off-Site Costs

Andrew,

As the project engineer for the El Sereno Apartments, the following off-site construction has been required: Concrete, Water Service & Fire Hydrants, Sewer, Electrical and Paving.

The construction of a concrete driveway and pedestrian sidewalk along Borgfeld Road and Somerset Avenue was required for the access to El Sereno Apartments and required electrical lighting throughout the public access.

According to the City of Cibolo Unified Development Code, it was required that public water service and fire hydrants be constructed throughout the development and continued off-site.

The location of the sewer connection point for El Sereno Apartments required additional sewer pipes and structures off-site.

Please feel free to contact us if you have any questions.

Sincerely,



Joshua A. Lincoln, P.E. | Senior Project Manager
Registered Professional Engineer: TX

HP civil engineering, LLC



Site Work Cost Breakdown

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.

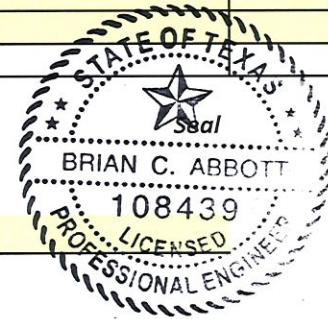
Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

****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.

A. Activity	B. Labor or Unit Price	C. Materials or # of Units	D. Total Construction Costs	E. Acquisition Costs	F. Engineering / Architectural Costs	G. Total Activity Costs
Demolition			\$ 50,000.00			\$ 50,000
Detention			\$ 19,766.00			\$ 19,766
Rough Grading			\$ 169,423.00			\$ 169,423
Fine Grading			\$ 25,413.00			\$ 25,413
On-Site Concrete			\$ 42,356.00			\$ 42,356
On-Site Paving			\$ 181,847.00			\$ 181,847
On-Site Utilities			\$ 98,830.00			\$ 98,830
Bumper stops, Striping & Signs			\$ 19,766.00			\$ 19,766
On-Site Water/ Sewer/ Storm Drain			\$ 231,806.00			\$ 231,806
Total						\$ 839,207

Brian Abbott
 Signature of Registered Engineer
 11/29/18
 Date

Brian Abbott
 Printed Name



If a revised form is submitted, date of submission:

Deficiency Response #10 MF-1/11/2019_10:43am-bps

Site Work Cost Breakdown

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.

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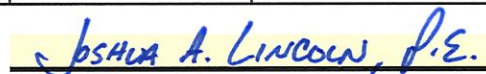
Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

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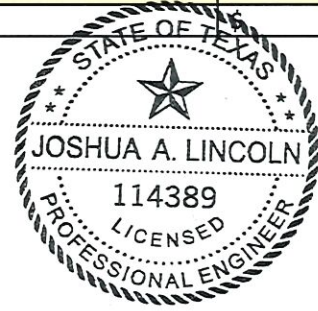
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A. Activity	B. Labor or Unit Price	C. Materials or # of Units	D. Total Construction Costs	E. Acquisition Costs	F. Engineering / Architectural Costs	G. Total Activity Costs
Demolition			\$ 50,000.00			\$ 50,000
Detention			\$ 19,766.00			\$ 19,766
Rough Grading			\$ 169,423.00			\$ 169,423
Fine Grading			\$ 25,413.00			\$ 25,413
On-Site Concrete			\$ 42,356.00			\$ 42,356
On-Site Electrical			\$ 36,708.00			\$ 36,708
On-Site Paving			\$ 181,847.00			\$ 181,847
On-Site Utilities			\$ 98,830.00			\$ 98,830
Decorative Masonry			\$ 160,952.00			\$ 160,952
Bumper Stops, Striping & Signs			\$ 19,766.00			\$ 19,766
On-Site Water/ Sewer/ Storm Drain			\$ 231,806.00			\$ 231,806
Total						1,036,867


 Signature of Registered Engineer
 1-9-2019


 Printed Name

Seal



Date If a revised form is submitted, date of submission: _____

Furnishings	20,083		20,083
Special Construction	14,727		14,727
Conveying Systems (Elevators)	274,000		274,000
Mechanical (HVAC; Plumbing)	1,313,197		1,313,197
Electrical	720,030		720,030

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 Before 11.9(e)(2)	\$9,919,940	\$0	\$9,919,940

Voluntary Eligible Building Costs (After 11.9(e)(2))*	\$0.00 psf	
Enter amount to be used to achieve desired score.		

TOTAL BUILDING COSTS & SITE WORK (including site amenities)	\$11,412,019	\$0	\$11,361,769
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Contingency	4.75%	\$551,245	551,245
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TOTAL HARD COSTS	\$12,168,264	\$0	\$11,913,014
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OTHER CONSTRUCTION COSTS	%THC			%EHC
General requirements (<6%)	5.50%	668,922	668,922	5.62%
Field supervision (within GR limit)				
Contractor overhead (<2%)	1.71%	207,717	207,717	1.74%
G & A Field (within overhead limit)				
Contractor profit (<6%)	5.50%	668,922	668,922	5.62%
TOTAL CONTRACTOR FEES		\$1,545,561	\$1,545,561	

TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)	\$13,713,825	\$0	\$13,458,575
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Voluntary Eligible "Hard Costs" (After 11.9(e)(2))*	\$0.00 psf	
Enter amount to be used to achieve desired score.		

*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 COSTS³

Architectural - Design fees	420,000		420,000
Architectural - Supervision fees			
Engineering fees	226,206		226,206
Real estate attorney/other legal fees			
Accounting fees	22,500		
Impact Fees	983,867		983,867
Building permits & related costs			
Appraisal	7,630		7,630
Market analysis			
Environmental assessment	6,570		6,570
Soils report			
Survey			
Marketing	75,000		
Hazard & liability insurance	186,785		186,785
Real property taxes	100,892		100,892
Personal property taxes			
Furnishings	80,000		80,000
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Soft Cost	\$2,109,450	\$0	\$2,011,950

FINANCING:

CONSTRUCTION LOAN(S)³

Interest	378,751		378,751
Loan origination fees	195,973		195,973
Title & recording fees	105,216		105,216
Closing costs & legal fees	40,000		40,000
Inspection fees			
Credit Report			
Discount Points			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

PERMANENT LOAN(S)

Loan origination fees	52,773		
Title & recording fees	10,000		
Closing costs & legal	10,000		
Bond premium			
Credit report			
Discount points			
Credit enhancement fees			
Prepaid MIP			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

BRIDGE LOAN(S)

Interest			
Loan origination fees			
Title & recording fees			
Closing costs & legal fees			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

OTHER FINANCING COSTS³

Tax credit fees	67,740		
Tax and/or bond counsel			
Payment bonds			
Performance bonds			
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance			
Syndication organizational cost			
Tax opinion			
Partnership Legal	118,666		59,333
Other (specify) - see footnote 1			
Subtotal Financing Cost	\$979,119	\$0	\$779,273

DEVELOPER FEES³

Housing consultant fees ⁴			
General & administrative			
Profit or fee	2,320,004		2,320,004
Subtotal Developer Fees 14.06%	\$2,320,004	\$0	\$2,320,004

RESERVES

Rent-up	186,876		
Operating	433,175		
Replacement			
Escrows			
Subtotal Reserves	\$620,051	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$21,994,051	\$0	\$18,569,802
--------------	-----	--------------

The following calculations are for HTC Applications only.

Deduct From Basis:

Federal grants used to finance costs in Eligible Basis

Non-qualified non-recourse financing

Non-qualified portion of higher quality units §42(d)(5)

Historic Credits (residential portion only)

Total Eligible Basis

**High Cost Area Adjustment (100% or 130%)

Total Adjusted Basis

Applicable Fraction

Total Qualified Basis

Applicable Percentage⁶

Credits Supported by Eligible Basis

(May be greater than actual request)

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

	\$0	\$18,569,802
		130%
	\$0	\$24,140,743
		9%
\$2,172,667	\$0	\$2,172,667
		87.50%
\$1,901,084	\$0	\$1,901,084

Requested Score for 11.9(e)(2)

Name of contact for Cost Estimate: Pierre Harispuru

Phone Number for Contact: 424-258-2902

If a revised form is submitted, date of submission:

Development Cost Schedule

Self Score Total: 0

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:

ACQUISITION

- Site acquisition cost
- Existing building acquisition cost
- Closing costs & acq. legal fees
- Other (specify) - see footnote 1
- Other (specify) - see footnote 1
- Subtotal Acquisition Cost**

TOTAL DEVELOPMENT SUMMARY		
Total Cost	Eligible Basis (If Applicable)	
	Acquisition	New/Rehab.
2,248,602		
3,000		
\$2,251,602	\$0	\$0

Scratch Paper/Notes

OFF-SITES²

- Off-site concrete
- Storm drains & devices
- Water & fire hydrants
- Off-site utilities
- Sewer lateral(s)
- Off-site paving
- Off-site electrical
- Other (specify) - see footnote 1
- Other (specify) - see footnote 1
- Subtotal Off-Sites Cost**

96,000		
25,000		
15,000		
8,000		
51,000		
10,000		
\$205,000	\$0	\$0

SITE WORK³

- Demolition
- Asbestos Abatement (Demolition Only)
- Detention
- Rough grading
- Fine grading
- On-site concrete
- On-site electrical
- On-site paving
- On-site utilities
- Decorative masonry
- Bumper stops, striping & signs
- On-Site Water/Sewer/Storm Drain
- Subtotal Site Work Cost**

50,000		
19,766		19,516
169,423		169,423
25,413		25,413
42,356		42,356
36,708		36,708
181,847		181,847
98,830		98,830
160,952		160,952
19,766		19,766
231,806		231,806
\$1,036,867	\$0	\$986,617

Basis Reduced by Cibolo EDC Grant

SITE AMENITIES

- Landscaping
- Pool and decking
- Athletic court(s), playground(s)
- Fencing
- Other (specify) - see footnote 1
- Subtotal Site Amenities Cost**

220,912		220,912
133,886		133,886
0		0
100,414		100,414
\$455,212	\$0	\$455,212

BUILDING COSTS*:

- Concrete
- Masonry
- Metals
- Woods and Plastics
- Thermal and Moisture Protection
- Roof Covering
- Doors and Windows

466,694		466,694
597,431		597,431
168,715		168,715
4,212,634		4,212,634
115,142		115,142
109,263		109,263
598,632		598,632

Finishes	1,019,968		1,019,968
Specialties	265,324		265,324
Equipment	24,099		24,099
Furnishings	20,083		20,083
Special Construction	14,727		14,727
Conveying Systems (Elevators)	274,000		274,000
Mechanical (HVAC; Plumbing)	1,313,197		1,313,197
Electrical	720,030		720,030

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 Before 11.9(e)(2) \$9,919,940 \$0 \$9,919,940

Voluntary Eligible Building Costs (After 11.9(e)(2))* \$0.00 psf

Enter amount to be used to achieve desired score.

TOTAL BUILDING COSTS & SITE WORK (including site amenities) \$11,412,019 \$0 \$11,361,769

Contingency 4.75% \$551,245 551,245

TOTAL HARD COSTS \$12,168,264 \$0 \$11,913,014

OTHER CONSTRUCTION COSTS	%THC			%EHC
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G & A Field (within overhead limit)				
Contractor profit (<6%)	5.50%	668,922	668,922	5.62%

TOTAL CONTRACTOR FEES \$1,545,561 \$0 \$1,545,561

TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2) \$13,713,825 \$0 \$13,458,575

Voluntary Eligible "Hard Costs" (After 11.9(e)(2))* \$0.00 psf

Enter amount to be used to achieve desired score.

*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 COSTS³

Architectural - Design fees	420,000		420,000
Architectural - Supervision fees			
Engineering fees	226,206		226,206
Real estate attorney/other legal fees			
Accounting fees	22,500		
Impact Fees	983,867		983,867
Building permits & related costs			
Appraisal	7,630		7,630
Market analysis			
Environmental assessment	6,570		6,570
Soils report			
Survey			
Marketing	75,000		

Hazard & liability insurance	186,785		186,785	
Real property taxes	100,892		100,892	
Personal property taxes				
Furnishings	80,000		80,000	
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
Subtotal Soft Cost	\$2,109,450	\$0	\$2,011,950	
FINANCING:				
CONSTRUCTION LOAN(S)³				
Interest	378,751		378,751	
Loan origination fees	195,973		195,973	
Title & recording fees	105,216		105,216	
Closing costs & legal fees	40,000		40,000	
Inspection fees				
Credit Report				
Discount Points				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
PERMANENT LOAN(S)				
Loan origination fees	52,773			
Title & recording fees	10,000			
Closing costs & legal	10,000			
Bond premium				
Credit report				
Discount points				
Credit enhancement fees				
Prepaid MIP				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
BRIDGE LOAN(S)				
Interest				
Loan origination fees				
Title & recording fees				
Closing costs & legal fees				
Other (specify) - see footnote 1				
Other (specify) - see footnote 1				
OTHER FINANCING COSTS³				
Tax credit fees	67,740			
Tax and/or bond counsel				
Payment bonds				
Performance bonds				
Credit enhancement fees				
Mortgage insurance premiums				
Cost of underwriting & issuance				
Syndication organizational cost				
Tax opinion				
Partnership Legal	118,666		59,333	
Other (specify) - see footnote 1				
Subtotal Financing Cost	\$979,119	\$0	\$779,273	
DEVELOPER FEES³				
Housing consultant fees ⁴				
General & administrative				
Profit or fee	2,082,746		2,082,746	
Subtotal Developer Fees 12.62%	\$2,082,746	\$0	\$2,082,746	12.82%

RESERVES

Rent-up	186,876		
Operating	433,175		
Replacement			
Escrows			
Subtotal Reserves	\$620,051	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$21,756,793	\$0	\$18,332,544
--------------	-----	--------------

The following calculations are for HTC Applications only.

Deduct From Basis:

Federal grants used to finance costs in Eligible Basis		
Non-qualified non-recourse financing		
Non-qualified portion of higher quality units §42(d)(5)		
Historic Credits (residential portion only)		

Total Eligible Basis \$0 \$18,332,544

**High Cost Area Adjustment (100% or 130%) 130%

Total Adjusted Basis \$0 \$23,832,307

Applicable Fraction 9%

Total Qualified Basis \$2,144,908 \$0 \$2,144,908

Applicable Percentage⁶ 87.50%

Credits Supported by Eligible Basis \$1,876,794 \$0 \$1,876,794

(May be greater than actual request)

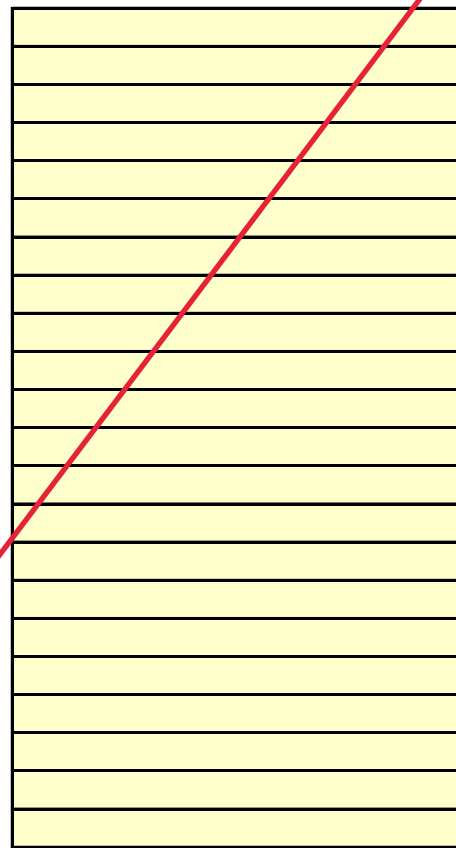
*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Requested Score for 11.9(e)(2)

Name of contact for Cost Estimate: Pierre Harispuru

Phone Number for Contact: 424-258-2902

If a revised form is submitted, date of submission: 2/19/19



Development Cost Schedule

Self Score Total: 0

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

TOTAL DEVELOPMENT SUMMARY		
Total	Eligible Basis (If Applicable)	
Cost	Acquisition	New/Rehab.

Scratch Paper/Notes

ACQUISITION

Site acquisition cost	2,248,602		
Existing building acquisition cost			
Closing costs & acq. legal fees	3,000		
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Acquisition Cost	\$2,251,602	\$0	\$0

OFF-SITES²

Off-site concrete	96,000		
Storm drains & devices			
Water & fire hydrants	25,000		
Off-site utilities	15,000		
Sewer lateral(s)	8,000		
Off-site paving	51,000		
Off-site electrical	10,000		
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Off-Sites Cost	\$205,000	\$0	\$0

SITE WORK³

Demolition	50,000		
Asbestos Abatement (Demolition Only)			
Detention	19,766		19,516
Rough grading	169,423		169,423
Fine grading	25,413		25,413
On-site concrete	42,356		42,356
On-site electrical	36,708		36,708
On-site paving	181,847		181,847
On-site utilities	98,830		98,830
Decorative masonry	160,952		160,952
Bumper stops, striping & signs	19,766		19,766
On-Site Water/Sewer/Storm Drain	231,806		231,806
Subtotal Site Work Cost	\$1,036,867	\$0	\$986,617

SITE AMENITIES

Landscaping	220,912		220,912
Pool and decking	133,886		133,886
Athletic court(s), playground(s)	0		0
Fencing	100,414		100,414
Other (specify) - see footnote 1			
Subtotal Site Amenities Cost	\$455,212	\$0	\$455,212

BUILDING COSTS*:

Concrete	466,694		466,694
Masonry	597,431		597,431
Metals	168,715		168,715
Woods and Plastics	4,212,634		4,212,634
Thermal and Moisture Protection	115,142		115,142
Roof Covering	109,263		109,263
Doors and Windows	598,632		598,632
Finishes	1,019,968		1,019,968
Specialties	265,324		265,324
Equipment	24,099		24,099

Basis Reduced by Cibolo EDC Grant

Furnishings	20,083		20,083
Special Construction	14,727		14,727
Conveying Systems (Elevators)	274,000		274,000
Mechanical (HVAC; Plumbing)	1,313,197		1,313,197
Electrical	720,030		720,030

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 Before 11.9(e)(2)	\$9,919,940	\$0	\$9,919,940

Voluntary Eligible Building Costs (After 11.9(e)(2))*
Enter amount to be used to achieve desired score. \$0.00 psf

TOTAL BUILDING COSTS & SITE WORK (including site amenities)
\$11,412,019 \$0 \$11,361,769

Contingency	4.32%	\$501,818		501,818
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TOTAL HARD COSTS
\$12,118,837 \$0 \$11,863,587

OTHER CONSTRUCTION COSTS	%THC			%EHC
General requirements (<6%)	5.52%	668,922		668,922 5.64%
Field supervision (within GR limit)				
Contractor overhead (<2%)	1.71%	207,717		207,717 1.75%
G & A Field (within overhead limit)				
Contractor profit (<6%)	5.52%	668,922		668,922 5.64%
TOTAL CONTRACTOR FEES		\$1,545,561	\$0	\$1,545,561

TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)
\$13,664,398 \$0 \$13,409,148

Voluntary Eligible "Hard Costs" (After 11.9(e)(2))*
Enter amount to be used to achieve desired score. \$0.00 psf

***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 COSTS³

Architectural - Design fees	428,062		420,000
Architectural - Supervision fees			
Engineering fees	295,193		226,206
Real estate attorney/other legal fees	114,967		
Accounting fees	22,500		
Impact Fees	917,864		983,867
Building permits & related costs			
Appraisal	14,575		7,630
Market analysis			
Environmental assessment	6,570		6,570
Soils report			
Survey			
Marketing	74,600		
Hazard & liability insurance	224,707		186,785
Real property taxes	100,173		100,892
Personal property taxes			
Furnishings	80,000		80,000
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
Subtotal Soft Cost	\$2,279,211	\$0	\$2,011,950

FINANCING:

CONSTRUCTION LOAN(S)³

Interest	378,751		378,751
Loan origination fees	285,709		195,973
Title & recording fees	105,216		105,216
Closing costs & legal fees	90,000		40,000
Inspection fees			
Credit Report			
Discount Points			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

PERMANENT LOAN(S)

Loan origination fees	52,773		
Title & recording fees	10,000		
Closing costs & legal	10,000		
Bond premium			
Credit report			
Discount points			
Credit enhancement fees			
Prepaid MIP			

Other (specify) - see footnote 1

Other (specify) - see footnote 1

BRIDGE LOAN(S)

Interest			
Loan origination fees			
Title & recording fees			
Closing costs & legal fees			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			

OTHER FINANCING COSTS³

Tax credit fees	67,740		
Tax and/or bond counsel			
Payment bonds			
Performance bonds			
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance			
Syndication organizational cost			
Tax opinion			
Partnership Legal	118,666		59,333
Other (specify) - see footnote 1			
Subtotal Financing Cost	\$1,118,855	\$0	\$779,273

DEVELOPER FEES³

Housing consultant fees ⁴			
General & administrative			
Profit or fee	2,082,746		2,082,746
Subtotal Developer Fees	\$2,082,746	\$0	\$2,082,746

Updated cost schedule is attached. The majority of the increases were due to extending/increasing the BofA loan (roughly 120k in all, including the appraisal), but we also added in some additional engineering costs (around 70k) to bring the numbers to actuals.
Thanks,
Monte Heaton
Highridge Costa Development Company

RESERVES

Rent-up	186,876		
Operating	433,175		
Replacement			
Escrows			
Subtotal Reserves	\$620,051	\$0	\$0

TOTAL HOUSING DEVELOPMENT COSTS⁵

\$22,016,863	\$0	\$18,283,117
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The following calculations are for HTC Applications only.

Deduct From Basis:

Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
Total Eligible Basis		\$0	\$18,283,117
**High Cost Area Adjustment (100% or 130%)			130%
Total Adjusted Basis		\$0	\$23,768,053
Applicable Fraction			9%
Total Qualified Basis	\$2,139,125	\$0	\$2,139,125
Applicable Percentage ⁶			87.50%
Credits Supported by Eligible Basis	\$1,871,734	\$0	\$1,871,734

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.

Requested Score for 11.9(e)(2)

Name of contact for Cost Estimate: Pierre Harispuru

Phone Number for Contact: 424-258-2902

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).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	MF Direct Loan Const. Only (Repayable)	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	\$1,140,000	0.00%	2	\$ 1,140,000	0.00%		35		2
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	\$15,107,869	4.35%	1	\$ 4,707,568	5.60%	35	35		1
Third Party Equity										
Bank of America	HTC	\$ 1,500,000			\$ 2,986,831					
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 2,030,004			\$ 728,786					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 1,188,040					
Total Sources of Funds		\$ 21,994,051			\$ 22,056,011					
Total Uses of Funds					\$ 21,994,051					

DEVELOPER FEES²		
Housing consultant fees ⁴		
General & administrative		
Profit or fee		2,320,004
Subtotal Developer Fees	14.06%	\$2,320,004
RESERVES		
Rent-up		186,876
Operating		433,175
Replacement		
Escrows		
Subtotal Reserves		\$620,051
TOTAL HOUSING DEVELOPMENT COSTS³		\$21,994,051

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

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: _____

DEVELOPER FEES*		
Housing consultant fees ⁴		
General & administrative		
Profit or fee	2,320,004	
Subtotal Developer Fees 14.06%	\$2,320,004	ion provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost

	Construction Period		Lien Position	Permanent Period					Lien Position	
	Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate		
RESERVES										
Rent-up	186,876									
Operating	433,175									
Replacement										
Escrows										
Subtotal Reserves	\$620,051	\$0	0.00%		\$ -	0.00%	30	0		
TOTAL HOUSING DEVELOPMENT COSTS⁵	\$21,994,051	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	-\$1,140,000	0.00%	2	\$ -1,140,000	0.00%		35	2	
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	-\$15,107,869	4.35%	1	\$ -4,707,568	5.60%	35	35	1	
Third Party Equity										
Bank of America	HTC	\$ 1,500,000	\$ 2,986,831		\$ 14,229,407					
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 2,030,004			\$ 666,826					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 1,188,040					
Total Sources of Funds		\$ 21,994,051			\$ 21,994,051					
Total Uses of Funds					\$ 21,994,051					

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

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. *By signing below Bank of America N.A (BANA) acknowledges that the amount and terms of the anticipated source and uses of funds is an estimation prepared by the Borrower based on the proposed new TDHCA multifamily Direct Loan (Soft Repayable) all of which sources and uses will be underwritten by BANA in connection with its determination of approving the proposed new TDHCA financing.*

Barbara Colter
Signature, Authorized Representative, Construction or Permanent Lender

Barbara Colter
Printed Name
Senior Vice President
Bank of America

12/19/2018
Date

Telephone: _____

Email address: _____

If a revised form is submitted, date of submission: _____

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

The project closed all construction financing in April of 2017. Bank of America is the construction lender and over the course of construction will provide a total of \$15.1 MM in construction financing at a rate of 2% plus 1-month LIBOR, currently 4.35%. Upon completion, a portion of this loan, currently estimated to be \$4.7 MM, will remain in place as a permanent loan at a rate of 5.60%. Bank of America is also acting as tax credit investor and will contribute a total of approximately \$3 MM in tax credit equity over the course of construction. Upon conversion to the permanent loan and submission of form 8609, Bank of America will fund the remainder of its \$14.3 MM equity commitment.

During construction \$2.03 MM of the \$2.32 MM developer fee will be deferred. Upon conversion to permanent \$666,826 of the deferred developer fee will remain in place and be payable out of cash flow.

The City of Cibolo EDC has made a contribution of \$250 to the project. These funds are a grant and as such will remain with the project in perpetuity and have been removed from eligible basis.

As a result of a number of hardships and delays due to Hurricane Harvey, the project has experienced significant cost overruns. To address these concerns, the general partners have advanced \$667,137 to the project. It is currently projected that the project will require a general partner loan of \$1.18 MM (including the aforementioned \$667,137) upon conversion to the permanent loan.

In the event that this application is successful, TDHCA will fund a Multifamily Direct Loan of \$1.14 MM to the project. These funds will remain in place after conversion to the permanent loan and will be payable out of cash flow. Per TDHCA applicant match requirements, the general partners will make an additional loan to the project of \$61,960, an amount in excess of 5% of the anticipated Multifamily Direct Loan.

Describe the replacement reserves:

Per TDHCA requirements, replacement reserves of \$34,000, or \$250 per unit, have been underwritten in the project's operating expenses. Because the project will be completely new upon completion of construction, the development team has deemed this to be sufficient.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) of approvals and closings, etc., associated with the commitments:

Project rents will be as laid out in the rent schedule in exhibit 24. All units will be placed in service at maximum allowable rents less the utility allowance approved by TDHCA. The project will receive no operating subsidies of any kind and no such subsidy has been included in underwriting.

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).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amortization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	MF Direct Loan Const. Only (Repayable)	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	\$1,140,000	0.00%	2	\$ 1,140,000	0.00%		35		2
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	\$15,107,869	4.35%	1	\$ 4,707,568	5.60%	35	16		1
Third Party Equity										
Bank of America	HTC	\$ 1,500,000			\$ 2,986,831					\$ 14,229,407
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 2,030,004			\$ 666,826					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 1,188,040					
	Total Sources of Funds	\$ 21,994,051			\$ 21,994,051					
	Total Uses of Funds				\$ 21,994,051					

Regarding the owner's contribution of over 5%, a large part of the contribution has already been actually been paid. - bps

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

The project closed all construction financing in April of 2017. Bank of America is the construction lender and over the course of construction will provide a projected total of \$15,107,869 in construction financing at a variable rate of 2% plus 1-month LIBOR, currently 4.35%. Upon completion, a portion of this loan, currently estimated to be \$4,707,568, will remain in place as a permanent loan at a rate of 5.60%. Bank of America is also acting as tax credit investor and will contribute a total of approximately \$2,986,831 in tax credit equity over the course of construction. Upon conversion to the permanent loan and submission of form 8609, Bank of America will fund the remainder of its projected \$14,229,407 equity commitment. The investor equity has been reduced from the \$14,773,524 reflected in the partnership agreement by a Downward Timing Adjuster projected to be \$544,117.

$$14,773,524 - 544,117 = 14,229,407$$

During construction \$2.03 MM of the \$2.32 MM developer fee will be deferred. Upon conversion to permanent \$666,826 of the deferred developer fee will remain in place and be payable out of cash flow.

The City of Cibolo EDC has made a contribution of \$250 to the project. These funds are a grant and as such will remain with the project in perpetuity and have been removed from eligible basis.

As a result of a number of hardships and delays due to Hurricane Harvey, the project has experienced significant cost overruns. To address these concerns, the general partners have advanced \$667,137 to the project. It is currently projected that the project will require a general partner loan of \$1.18 MM (including the aforementioned \$667,137) upon conversion to the permanent loan.

In the event that this application is successful, TDHCA will fund a Multifamily Direct Loan of \$1.14 MM to the project. These funds will remain in place after conversion to the permanent loan and will be payable out of cash flow. Per TDHCA applicant match requirements, the general partners will make an additional loan to the project of \$61,960, an amount in excess of 5% of the anticipated Multifamily Direct Loan.

Describe the replacement reserves:

Per TDHCA requirements, replacement reserves of \$34,000, or \$250 per unit, have been underwritten in the project's operating expenses. Because the project will be completely new upon completion of construction, the development team has deemed this to be sufficient.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) of approvals and closings, etc., associated with the commitments:

Project rents will be as laid out in the rent schedule in exhibit 24. All units will be placed in service at maximum allowable rents less the utility allowance approved by TDHCA. The project will receive no operating subsidies of any kind and no such subsidy has been included in underwriting.

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).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amortization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	MF Direct Loan Const. Only (Repayable)	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	\$1,140,000	0.00%	2	\$ 1,140,000	0.00%		35		2
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	\$15,107,869	4.35%	1	\$ 4,707,568	5.60%	35	16		1
Third Party Equity										
Bank of America	HTC	\$ 1,500,000			\$ 2,986,831					\$ 14,229,407
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 1,792,746			\$ 666,826					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 950,782					
Total Sources of Funds		\$ 21,756,793			\$ 21,756,793					
Total Uses of Funds					\$ 21,756,793					

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

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).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	MF Direct Loan Const. Only (Repayable)	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	\$1,140,000	0.00%	2	\$ 1,140,000	0.00%		35		2
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	\$15,107,869	4.35%	1	\$ 4,707,568	5.60%	35	16		1
Third Party Equity										
Bank of America	HTC	\$ 1,500,000			\$ 2,986,831					\$ 14,229,407
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 1,792,746			\$ 666,826					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 950,782					
Total Sources of Funds		\$ 21,756,793			\$ 21,756,793					
Total Uses of Funds					\$ 21,756,793					

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

By signing below Bank of America N.A (BANA) acknowledges that the amount and terms of the anticipated sources and uses of funds is an estimation prepared by the Borrower based on the proposed new TDHCA Multifamily Direct Loan (Soft Repayable) all of which sources and uses will be underwritten by BANA in connection with its determination of approving the proposed new TDHCA financing.

Barbara Colter
Signature, Authorized Representative, Construction or Permanent Lender

Barbara Colter
Printed Name
Senior Vice President
Bank of America, N.A.

2/27/2018
Date

Telephone: 805 917 0653

Email address: barbara.colter@bamf.com

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).

Financing Participants	Funding Description	Construction Period		Lien Position	Permanent Period					Lien Position
		Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt										
TDHCA	MF Direct Loan Const. to Perm. (Repayable)	\$0	0.00%		\$ -	0.00%	30	0		
TDHCA	MF Direct Loan Const. Only (Repayable)	\$0	0.00%							
TDHCA	Multifamily Direct Loan (Soft Repayable)	\$1,140,000	0.00%	2	\$ 1,140,000	0.00%		35		2
TDHCA	Mortgage Revenue Bond	\$0	0.00%		\$ -	0.00%	0	0		
Bank of America	Conventional Loan	\$15,367,939.35	4.35%	1	\$ 5,471,191	5.60%	35	16		1
Third Party Equity										
Bank of America	HTC	\$ 1,500,000	\$ 2,986,831		\$ 14,229,407					
Grant										
City of Cibolo EDC		\$ 250			\$ 250					
Deferred Developer Fee										
Deferred Developer Fee		\$ 1,792,746			\$ 666,826					
Other										
Applicant Match (GP Loan)	Direct Loan Match	\$ 61,960			\$ 61,960					
GP Advance		\$ 667,137			\$ 447,229					
Total Sources of Funds		\$ 22,016,863			\$ 22,016,863					
Total Uses of Funds					\$ 22,016,863					

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

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: _____

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

The project closed all construction financing in April of 2017. Bank of America is the construction lender and over the course of construction will provide a projected total of \$15,107,869 in construction financing at a variable rate of 2% plus 1-month LIBOR, currently 4.35%. Upon completion, a portion of this loan, currently estimated to be \$4,707,568, will remain in place as a permanent loan at a rate of 5.60%. Bank of America is also acting as tax credit investor and will contribute a total of approximately

\$2,986,831 in tax credit equity over the course of construction. Upon conversion to the permanent loan and submission of form 8609, Bank of America will fund the remainder of its projected \$14,229,407 equity commitment. The investor equity has been reduced from the \$14,773,524 reflected in the partnership agreement by a Downward Timing Adjuster projected to be \$544,117.

During construction \$1.8 MM of the \$2.1 MM developer fee will be deferred. Upon conversion to permanent \$666,826 of the deferred developer fee will remain in place and be payable out of cash flow.

The City of Cibolo EDC has made a contribution of \$250 to the project. These funds are a grant and as such will remain with the project in perpetuity and have been removed from eligible basis.

As a result of a number of hardships and delays due to Hurricane Harvey, the project has experienced significant cost overruns. To address these concerns, the general partners have advanced \$667,137 to the project. It is currently projected that the project will require a general partner loan of \$0.95 MM (including the aforementioned \$667,137) upon conversion to the permanent loan.

In the event that this application is successful, TDHCA will fund a Multifamily Direct Loan of \$1.14 MM to the project. These funds will remain in place after conversion to the permanent loan and will be payable out of cash flow. Per TDHCA applicant match requirements, the general partners will make an additional loan to the project of \$61,960, an amount in excess of 5% of the anticipated Multifamily Direct Loan.

Describe the replacement reserves:

Per TDHCA requirements, replacement reserves of \$34,000, or \$250 per unit, have been underwritten in the project's operating expenses. Because the project will be completely new upon completion of construction, the development team has deemed this to be sufficient.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) of approvals and closings, etc., associated with the commitments:

Project rents will be as laid out in the rent schedule in exhibit 24. All units will be placed in service at maximum allowable rents less the utility allowance approved by TDHCA. The project will receive no operating subsidies of any kind and no such subsidy has been included in underwriting.

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 Direct Loan Developments also financed through the USDA §515 program, the Application **MUST** include:

- A letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10% of the Total Housing Development Cost as a short term loan for Development; **OR**
- Evidence of a line of credit or equivalent tool equal to at least 10% of the Total Housing Development Cost from a financial institution that is available for use during the proposed development activities.

Owner Equity and Appraisal Requirements (10 TAC §13.8(c)(6))

If the Direct Loan is the only source of Department funding for the Development (no HTC being requested), the Development Owner **MUST** provide:

- equity in an amount not less than 20% of Total Housing Development Costs; and
- if proposing new construction, an "as completed" appraisal pursuant to 10 TAC §10.304 which results in a maximum 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 information 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.



The purpose of this document is to demonstrate that the AGP/Developer has contributed \$667,137 to the project, thereby rendering the as-yet contributed GP Contribution below 5% of the TDC.

Owner's cash contributions to date are shown by these documents - bps


- 5. The following are attached hereto and form a part hereof:
Contractor's APPLICATION AND CERTIFICATE FOR PAYMENT (AIA Document G702), Conditional and Unconditional Lien Waivers and accounts payable listing is preferred for soft costs.

Date: 01/11/2019

BORROWER:

BORGFELD HOUSING, L.P.,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company
Its: Managing General Partner


Name: Mohannad H. Mohanna
Title: President

Owner's cash contributions to date are shown by these documents - bps

Limit input to YELLOW CELLS

BUDGET DRAW TEMPLATE

Clear ALL Prior Entries for New Draw

BORROWER: BORGFELD HOUSING LP

REPORT DATE: 12/20/2018

PROJECT DESCRIPTION: EL SERENO APTS - 136 UNITS

HIDE Blank Line Item Rows (normal status)

UNHIDE Blank Line Item Rows (to add new line item)

Uses

Description	Original Budget	Total Prior Adjustments	Current Changes	Revised Budget	Total Previous Drawn	Amount This Draw	Total Drawn Including This Draw	Undisbursed After This Draw	% Funded	Deferred (Unavailable)
LAND										
Land Value	2,248,602.00	0.00		2,248,602.00	2,248,602.00		2,248,602.00	0.00	100%	
TOTAL LAND	2,248,602.00	0.00	0.00	2,248,602.00	2,248,602.00	0.00	2,248,602.00	0.00	100%	
HARD COSTS										
Demolition	50,000.00	27,000.00		77,000.00	69,300.00		69,300.00	7,700.00	90%	
Site Work	986,807.00	309,262.80		1,296,069.80	861,587.82		861,587.82	434,481.98	66%	
Off Site Improvements	205,000.00	0.00		205,000.00	83,250.00		83,250.00	121,750.00	41%	
Construction - Residential	9,532,894.00	1,229,849.92		10,762,743.92	7,775,751.04	507,169.93	8,282,920.97	2,479,822.95	77%	
General Requirements	602,338.00	136,937.00		739,275.00	579,850.76	11,224.33	591,075.09	148,199.91	80%	
Contractor Overhead and Profit	830,868.00	(425,518.00)		405,350.00	207,000.77		207,000.77	198,349.23	51%	
Sub Total Contracts	12,207,907.00	1,277,531.72	0.00	13,485,438.72	9,576,740.39	518,394.26	10,095,134.65	3,390,304.07	75%	
Construction Contingency	610,395.00	(610,394.72)		0.28	0.00		0.00	0.28	0%	
Personal Property - Development Budget	150,000.00	218.46		150,218.46	150,218.46		150,218.46	0.00	100%	
TOTAL HARD COSTS	12,968,302.00	667,355.46	0.00	13,635,657.46	9,726,958.85	518,394.26	10,245,353.11	3,390,304.35	75%	
SOFT COSTS										
Const Loan Inspection	16,500.00	2,144.50	925.00	19,569.50	18,644.50	925.00	19,569.50	0.00	100%	
Const Loan Origination Fee	179,473.00	0.00		179,473.00	179,472.98		179,472.98	0.02	100%	
Const Title & Recording	105,216.00	0.00		105,216.00	103,775.47		103,775.47	1,440.53	99%	
Perm Loan Origination Fee	49,500.00	0.00		49,500.00	49,500.00		49,500.00	0.00	100%	
Perm Conversion Fee - Deferred	10,000.00	0.00		10,000.00	0.00		0.00	10,000.00	0%	YES
Perm Title & Recording - Deferred	10,000.00	0.00		10,000.00	0.00		0.00	10,000.00	0%	YES
B of A Lender Legal	40,000.00	0.00		40,000.00	40,000.00		40,000.00	0.00	100%	
T.Credit Application & Monitoring Fees	67,740.00	0.00		67,740.00	67,740.00		67,740.00	0.00	100%	
Marketing	125,000.00	(400.00)		124,600.00	56,594.75	61,934.45	118,529.20	6,070.80	95%	
Accounting	22,500.00	0.00		22,500.00	5,500.00		5,500.00	17,000.00	24%	
Operating Reserve - Deferred	433,175.00	0.00		433,175.00	0.00		0.00	433,175.00	0%	YES
Developer Fees	290,001.00	0.00		290,001.00	290,000.00		290,000.00	1.00	100%	
Developer Fees - Deferred	2,030,003.00	0.00		2,030,003.00	0.00		0.00	2,030,003.00	0%	YES
Insurance	45,163.00	0.00		45,163.00	44,983.00		44,983.00	180.00	100%	
Taxes	93,497.00	0.00		93,497.00	33,224.34		33,224.34	60,272.66	36%	
Legal	80,772.00	39,967.42		120,739.42	120,739.42		120,739.42	0.00	100%	
Architect	420,000.00	1,300.86	6,760.78	428,061.64	421,300.86	6,760.78	428,061.64	0.00	100%	
Survey & Engineering	143,600.00	64,067.13		207,667.13	207,667.13		207,667.13	0.00	100%	
Appraisal & Mkt Study	23,630.00	445.00		24,075.00	24,075.00		24,075.00	0.00	100%	
Soils Investigation	5,700.00	0.00		5,700.00	5,700.00		5,700.00	0.00	100%	
Impact Fees	990,435.00	(66,002.55)		924,432.45	924,432.45		924,432.45	0.00	100%	
Environmental Surveys	6,570.00	0.00		6,570.00	6,570.00		6,570.00	0.00	100%	
Soft Cost Contingency	86,003.00	(41,740.82)	(7,685.78)	36,576.40	1,000.00		1,000.00	35,576.40	3%	
Sub Total Misc	5,274,478.00	(218.46)	0.00	5,274,259.54	2,600,919.90	69,620.23	2,670,540.13	2,603,719.41	51%	
Interest Reserve	835,532.00	0.00		835,532.00	387,722.60		387,722.60	447,809.40	46%	
Sub Total Int Res	835,532.00	0.00	0.00	835,532.00	387,722.60	0.00	387,722.60	447,809.40	46%	
Sub Total Op Def	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	
TOTAL SOFT COSTS	6,110,010.00	(218.46)	0.00	6,109,791.54	2,988,642.50	69,620.23	3,058,262.73	3,051,528.81	50%	
TOTAL PROJECT USES	21,326,914.00	667,137.00	0.00	21,994,051.00	14,964,203.35	588,014.49	15,552,217.84	6,441,833.16	71%	2,483,178.00

Sources

Description	Original Budget	Total Prior Adjustments	Current Changes	Revised Budget	Total Previous Drawn	Amount This Draw	Total Drawn Including This Draw	Undisbursed After This Draw	% Funded	Deferred/Unavail?
Loan Funds	17,947,298.00	0.00		17,947,298.00	13,400,628.35	588,014.49	13,988,642.84	3,958,655.16	78%	
SUB-TOTAL LOAN PROCEEDS	17,947,298.00	0.00	0.00	17,947,298.00	13,400,628.35	588,014.49	13,988,642.84	3,958,655.16	78%	
ILP at Closing	896,438.00	0.00		896,438.00	896,438.00		896,438.00	0.00	100%	
Completion/Conversion - Deferred	2,483,178.00	0.00		2,483,178.00	0.00		0.00	2,483,178.00	0%	YES
Out of Balance - Borrowers Funds		667,137.00		667,137.00	667,137.00		667,137.00	0.00	100%	
SUB-TOTAL EQUITY/OTHER	3,379,616.00	667,137.00	0.00	4,046,753.00	1,563,575.00	0.00	1,563,575.00	2,483,178.00	39%	
TOTAL PROJECT SOURCES	21,326,914.00	667,137.00	0.00	21,994,051.00	14,964,203.35	588,014.49	15,552,217.84	6,441,833.16	71%	2,483,178.00

Owner's cash contributions to date are shown by these documents - bps

Project Name: El Sereno Apartments (Cibolo TX)
Construction Loan - Draw 17 Invoice Summary

<u>Line Item</u>	<u>Vendor</u>	<u>Invoice Date</u>	<u>Invoice #</u>	<u>Description</u>	<u>Check #</u>	<u>Check Date</u>	<u>Invoice Amount</u>	<u>Total</u>
Hard Cost:								
HC: Construction Contract	HCHP Contractors, LP	11/25/18	Pay Application No. 16	Pay Application No. 16 - Period thru 11/25/2018	TBA	To Be Paid	518,394.26	518,394.26
Soft Cost:								
Construction Loan Inspection	CA Partners, Inc.	12/04/18	Inv. 17170-17	Progress and Funding Disbursement Report	TBA	To Be Paid	925.00	925.00
Architect	Humphrey & Partners Architects, LP	10/09/18	Inv. 67994	Architect Svcs	TBA	To Be Paid	2,612.25	6,760.78
	Humphrey & Partners Architects, LP	12/10/18	Inv. 68552	Architect Svcs	TBA	To Be Paid	2,848.53	
	Accessibility Check	12/06/18	Inv. 086-18	Architect Svcs	TBA	To Be Paid	1,300.00	
Marketing	UAH Property Management, LP	12/19/18	Inv. 121918 - 2506	UAH Lease Up Activities	TBA	To Be Paid	61,934.45	61,934.45
TOTAL							<u>\$ 588,014.49</u>	
Less Interest Reserve							\$	-
Sources:								
LIP at Closing							\$	-
Loan Proceeds							\$	588,014.49
Borrower's Fund							\$	-
TOTAL Requested							<u>\$</u>	<u>588,014.49</u>

Owner's cash contributions to date are shown by these documents - bps

HARD COSTS

Owner's cash contributions to date are shown by these documents - bps

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF

PAGES

TO OWNER:
BORGFELD HOUSING, L.P.
 330 WEST VICTORIA STREET, GARDENA CA 90248

PROJECT:
 VIA ARCHITECT:
HCHP CONTRACTORS, L.P. **HUMPREYS & PARTNERS**
 330 WEST VICTORIA STREET 5339 ALPHA ROAD, SUITE 300
 GARDENA CA 90248 DALLAS TX 75240

CONTRACT FOR: THE HEIGHTS, EDINBURG, TX (GENERAL CONSTRUCTION)

APPLICATION NO **16**
 DATE: **11/25/18**
 PERIOD TO: **11/25/18**
 PROJECT NO: **2506**
 CONTRACT DATE **4/10/2017**

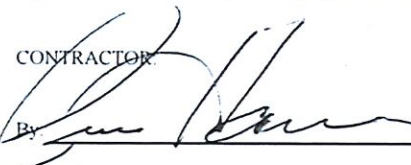
Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	12,135,069.00
2. Net change by Change Orders	\$	1,350,369.72
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	13,485,438.72
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	11,180,073.85
5. RETAINAGE:		
a. <u>10</u> % of Completed Work (Column D + E on G703)	\$	1,084,939.22
b. <u> </u> % of Stored Material (Column F on G703)	\$	0.00
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	1,084,939.22
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	\$	10,095,134.63
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	9,576,740.38
8. CURRENT PAYMENT DUE	\$	518,394.25
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	3,390,304.09

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR
 By:  Date: 1-10-19
 State of: _____ County of: _____
 Subscribed and sworn to before me this See attached day of _____
 Notary Public: _____
 My Commission Expires: _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 518,394.25

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)
 ARCHITECT:

By:  - HPA Date: 01/11/19

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$1,350,369.72	
Total approved this Month	\$0.00	
TOTALS	\$1,350,369.72	\$0.00
NET CHANGES by Change Order	\$1,350,369.72	

Owner's cash contributions to date are shown by these documents - bps

CALIFORNIA JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles } ss.

Subscribed and sworn to (or affirmed) before me on this 10th day of, January 2019,
by Pierre Harispuru, proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.



(seal)

Lashon S. Gilbreath
Signature of Notary

Owner's cash contributions to date are shown by these documents - bps

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: El Sereno (Cibolo TX)

Job No. _____

On receipt by the signer of this document of a check from Borgfeld Housing, LP (maker of check) in the sum of \$ 518,394.25 payable to HCHP Contractors, L.P. (payee or payees of check) and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the property of Borgfeld Housing, L.P. (owner) located at Cibolo, TX (location) to the following extent: El Sereno (job description).

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to November 25, 2018 (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date: 1-10-19

HCHP Contractors, L.P. (Company name)

By  (Signature)

Pierre Harispuru, Vice President (Title)

NOTE: Section 53.281(b)(2), Texas Property Code, requires that the above form be notarized. See Chapter 121, Texas Civil Practice & Remedies Code, regarding Acknowledgments & Proofs of Written Instruments, or consult an attorney. For short acknowledgement forms that might be suitable, see Section 121.008 in Chapter 121. Click [here](#) to go there.

Owner's cash contributions to date are shown by these documents - bps

CALIFORNIA ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On January 10, 2019 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Pierre Harispuru,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



Owner's cash contributions to date are shown by these documents - bps

=====

NOTICE:

This document waives rights unconditionally and states that you have been paid for giving up those rights. It is prohibited for a person to require you to sign this document if you have not been paid the payment amount set forth below. If you have not been paid, use a conditional release form.

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project El Sereno (Cibolo TX)

Job No. _____

The signer of this document has been paid and has received a progress payment in the sum of \$ 1,628,873.56 for all labor, services, equipment, or materials furnished to the property or to _____ (person with whom signer contracted) on the property of Borgfeld Housing, L.P. (owner) located at Cibolo, TX (location) to the following extent: El Sereno (job description). The signer therefore waives and releases any mechanic's lien right, any right arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for persons in the signer's position that the signer has on the above referenced project to the following extent:

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to November 25, 2018 (person with whom signer contracted) as indicated in the attached statement(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer's laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date 1-10-19

HCHP Contractors, L.P. (Company name)

By [Signature] (Signature)

Pierre Harispuru, Vice President (Title)

=====

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State of California
County of Los Angeles)

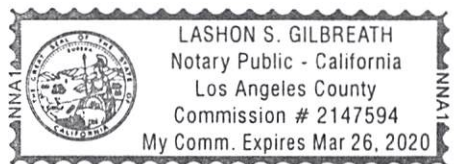
On January 10, 2019 before me, LaShon S. Gilbreath, Notary Public
(insert name and title of the officer)

personally appeared Pierre Harispuru,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature LaShon S. Gilbreath (Seal)



LINE ITEM TRANSFER - #09

Note:

Owner's cash contributions to date are shown by these documents - bps

From: **HCHP Contractor, LP**
 330 W. Victoria Street
 Gardena, CA 90248

PROJECT: Borgfeld Manor
 PROJECT #: 2506
 STATE: TEXAS
 CITY: CIBOLO

PHONE: 424-258-2800
 FAX: 424-258-2801

DATE: 12/20/18
 CONTRACT DATE: 04/10/17

To: **BORGFELD HOUSING, LP**
 330 W. Victoria Street
 Gardena, CA 90248

PHONE: 424-258-2800
 FAX: 424-258-2801

LINE ITEM TRANSFER DECREASES						
Code	Description	Beginning Balance	Decrease	Ending Balance	Transfer To Code	Description
32-01-514	Temporary Electric (Usage)	20,000.00	5,000.00	15,000.00	32-01-561	Security
32-01-521	Contractor Tools/Supplies	20,000.00	5,000.00	15,000.00	32-01-561	Security
32-01-522	First Aid Kit	500.00	500.00	0.00	32-01-561	Security
32-01-525	Job Office Supplies	8,000.00	724.33	7,275.67	32-01-561	Security

Total Decrease: 11,224.33

LINE ITEM TRANSFER INCREASES						
Code	Description	Beginning Balance	Increase	Ending Balance	Increase From Code	Description
32-01-561	Security	68,981.15	11,224.33	80,205.48		Line Items Above

Total Increase: 11,224.33

CONTRACTOR APPROVAL

Approved By: 
 Pierre Harispuru, Vice President Construction

Date: December 20, 2018

Owner's cash contributions to date are shown by these documents. - bps

Change Order				Description	Caused/Created by:					
Date Approved	CO #	Amount	Add'l Days		Owner	Architect	Contractor	Subcontractor	Sub-SubContractor	Other
		0.00	0							

CHANGE ORDER LOG

2506- Cibolo

HCHP CONTRACTORS, LP

MF-1/24/2019_11:21am-bps

CHANGE ORDER REQUEST SUBMITTED						OWNER CHANGE ORDER ISSUED				
COR No.	Date Submitted	Date Approved	Amount	Delay Days	Description	Change Order Issued	CO No.	Amount	Delay Days	
1	04/10/17	04/10/17	72,838.00	0	Increase for Additional Insurance Requirement	04/10/17	1	72,838.00	0	
2	01/04/18	01/12/18	0.00	148	Increase construction time by 148 working days	01/11/18	2	0.00	148	
3	01/11/18	01/12/18	43,626.00	0	Increase General Conditions Contract Amount because of CO2	01/11/18	3	43,626.00	0	
4	01/11/18	01/12/18	68,728.00	0	Increase GL Insurance & Builder's Risk because of CO2	01/11/18	4	68,728.00	0	
5	06/29/18	07/02/18	1,165,177.72	0	Increase line items - weather issues, labor and material costs	07/05/18	5	1,165,177.72	0	
TOTAL			1,350,369.72	148				1,350,369.72	148	

Owner's cash contributions to date are shown by these documents. - bps

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.

Type of Match Pledged	Pledged Amount	Source of Funds
Non-Federal Grants		
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) **CANNOT INCLUDE DEVELOPER FEES**		
Below Market Interest Rate Loan	\$ 61,960	General Partner Loan
Property Tax Abatement		
Donated Non-Professional Labor		
Non-Federally Funded Infrastructure		
Rental Value of Donated Use of Site Preparation or Construction Equipment		
Donated Construction Materials		
Donated Site Preparation		
Donated Demolition Services		
Donated Real Property		
Total Value of Match Pledged	\$ 61,960	
Total Amount of MF Direct Loan funds Requested	\$ 1,140,000	
Percentage of MF Direct Loan Funds to be Matched (Total Value of Match /MF Direct Loan Funds Requested)	5.44%	

Property tax exemption under 11.1825. See following pages.

GUADALUPE APPRAISAL DISTRICT



Main Office
3000 N. Austin St.
Seguin, Texas 78155
830.303.3313
830.372.2874 (Fax)

Schertz Substation
1101 Elbel Rd
Schertz, Texas 78154
210.945.9708 Ext. 8
877.254.0888 (Fax)

email: gadprotest@guadalupcad.org

COPY

03/12/19

BORGFELD HOUSING LP
330 W VICTORIA
GARDENA CA 90248

Re: Tax Code §11.1825/26 Low-Income Housing Property Tax Exemption (application)
PID: 167051 GEO ID: 1G0349-0000-00100-0-00
Legal: BORGFELD MANOR SUB LOT #1 BLK #1 10.3100AC
Situs: 213 SOMERSET AVE CIBOLO, TX :

To whom this may concern:

After considering submitted exemption application and all relevant information; and in accordance with Sections: 11.1825, 11.42, 11.43, 11.436, and 11.45 of Texas Property Tax Code, Chief Appraiser has, as the law and facts warrant, approve the application and allowed the Low-Income and Moderate-Income Housing ad valorem property tax exemption effective March 5th, 2019.

Chief Appraiser has determined property definition is §11.1825(f)(1) rental and therefore exemption is fifty (50) percent of the appraised value of the property per §11.1825(s).

This correspondence is provided as compliance with Texas Property Tax Code §11.45; it is recommended this document be retained with property records.

Property Tax Code §11.1825 Organizations Constructing or Rehabilitating Low-Income Housing and §11.1826 Monitoring of Compliance with Low-Income and Moderate-Income Housing are §11.43 one-year exemptions and must be applied for on an annual basis^(a). The current tax exemption on referenced property is approved effective March 5th, 2019 and expires December 31st, 2019 [providing requirements stated in §11.1826 are met].

In 2020, as a reminder of annual re-application requirement, and in accordance with Property Tax Code §11.44, Chief Appraiser shall deliver an appropriate 2020 exemption application to the address of record.

Should there be any questions, or if the District may be of assistance in matters relating to this exemption, do not hesitate to contact our office (830) 303-3313.

Sincerely,

/s/ James Fealy

James Fealy, RPA, TDLR#69774

Cc: Locke Lord LLP, attn: Cynthia L Bast, 600 Congress Avenue, Suite 2200, Austin Texas 78701-2748
Cc: P. E. Pennington & Co., P. O. Box 116908, Carrollton, Texas 75610-4449

^(a) §11.43(e) if a person required to apply for an exemption in a given year fails to file timely a completed application form, the person may not receive the exemption for that year.

Andrew Sinnott

From: Monte Heaton <monte.heaton@housingpartners.com>
Sent: Friday, March 15, 2019 4:24 PM
To: Andrew Sinnott; Simon Fraser
Subject: RE: El Sereno [18509] - RFI 4 Responses

Hi Andrew,

It'll be a 50% tax exemption, so assuming that saves us 60k/year, even with a very high discount rate (10%), the exemption would have a present value in excess of 350k.

Thanks,

Monte Heaton

Highridge Costa Development Company

Senior Financial Analyst

(O) (424) 258-2910

(M)(424) 295-2255

From: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Sent: Friday, March 15, 2019 2:19 PM
To: Simon Fraser <simon.fraser@housingpartners.com>
Cc: Monte Heaton <monte.heaton@housingpartners.com>
Subject: RE: El Sereno [18509] - RFI 4 Responses

This may work. Do you know what the value of the exemption will be?

Andrew Sinnott

Multifamily Loan Programs Administrator

512.475.0538

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)).

From: Simon Fraser <simon.fraser@housingpartners.com>
Sent: Friday, March 15, 2019 2:01 PM
To: Andrew Sinnott <andrew.sinnott@tdhca.state.tx.us>
Cc: Monte Heaton <monte.heaton@housingpartners.com>
Subject: El Sereno [18509] - RFI 4 Responses

Andrew,

Please see the attached final approval of the 50% property tax exemption and the below message from Locke Lord. We submit this as support for the County of Guadalupe providing the required matching source. Let me know if you have questions about this.

-Simon

From: Bandla, Raj <Raj.Bandla@lockelord.com>
Sent: Friday, March 15, 2019 11:48 AM
To: Simon Fraser <simon.fraser@housingpartners.com>
Cc: Bast, Cynthia L. <CBast@lockelord.com>
Subject: RE: Match

Thanks for forwarding, Simon. As discussed, based on our review, a property tax exemption under Section 11.1825 of the Texas Property Tax Code could be used to satisfy the match requirement for your TCAP application. To that end, we received an approval of your application for a Section 11.1825 exemption from Guadalupe County, which I am attaching here. You will need to provide this as evidence of willingness by the county to provide the matching source as required under the 2018 NOFA. Please feel free to put us in touch in Andrew should he have any questions or would like to discuss.

Thanks again,
Raj

Raj Bandla
Attorney
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, TX 78701
T: 512-305-4749
F: 512-391-4730
raj.bandla@lockelord.com
www.lockelord.com

[Click here](#) to download our free Locke Lord App or search for "Locke Lord" in the iTunes App Store today!
[Click here](#) to follow @LockeLord on Twitter today.

From: Simon Fraser <simon.fraser@housingpartners.com>
Sent: Friday, March 15, 2019 11:37 AM
To: Bandla, Raj <Raj.Bandla@lockelord.com>
Subject: FW: Match

From: Simon Fraser
Sent: Friday, March 15, 2019 7:42 AM
To: 'Andrew Sinnott' <andrew.sinnott@tdhca.state.tx.us>
Cc: Cynthia Bast (cbast@lockelord.com) <cbast@lockelord.com>
Subject: RE: Match

Thank you Andrew. To confirm, the below is the operative language for the TCAP match requirement.

Direct Loan funds, Match in the amount of at least 5 percent of the 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 Direct Loan funds, if applicable. The information provided must be consistent with all other documentation in the Application.

-Simon

Simon Fraser



simon.fraser@housingpartners.com

Finance Scoring (for Competitive HTC Applications ONLY)

Self Score Total:

1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

Name of the Local Political Subdivision providing the funding:

- 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.
- 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.
- 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:

2. Financial Feasibility (§11.9(e)(1))

- Eligible Pro-Forma and letter stating the Development is financially feasible.
- Eligible Pro-Forma and letter stating Development and Principals are acceptable.

Total Points Claimed:

3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

Percent of Units restricted to serve households at or below 30% of AMGI

HTC funding request as a percent of Total Housing Development Cost

Eligibility for points:

- Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding
- Housing Tax Credit Request
- Housing Tax Credit Request
- Housing Tax Credit Request

* Be sure no more than 50% of Developer fees are deferred.

Total Points Claimed:

Supporting Documents Should be Included Behind this Tab

ALL SUPPORTING DOCUMENTS MUST BE CONSISTENT WITH THE SOURCES AND USES

- Executed Pro Forma from Permanent or Construction Lender
- Letter from lender regarding approval of Principals (consistent with Template)
- Evidence of **all** Permanent and Construction Financing (term sheets, loan agreements)
- Evidence of any Gap Financing, terms included
- Evidence of any Owner Contributions, with financial support if required
- Evidence of Equity Financing (HTC applications only)
- 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.
- 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)]
- Evidence of Rental Assistance/Subsidy

Executed Pro Forma to follow.





TERM SHEET
(End to End Taxable Construction to Permanent Loan)

November 14, 2018

VIA EMAIL

Mohannad H. Mohanna
Managing Member
Highridge Costa Housing, LLC
330 West Victoria Street
Gardena, California 90248

Re: Construction to Permanent Loan for El Sereno Apartments, located in Cibolo, Texas (the "Project")

Dear Mr. Mohanna:

This letter will serve as a preliminary outline of the terms under which Bank of America, N.A. (the "Bank") would consider a loan request on the above referenced project. This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank's internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request. The proposed terms and conditions are as follows:

Project: To be constructed 136-unit apartment complex located on 10.32 +/- acres on the above referenced property.

Borrower: Borgfeld Housing, LP - form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements: Borrower and Guarantors' financial statements, covenant compliance certificates, property operating statements, leasing summaries and any other reports required by Bank shall be provided in detail and frequency as determined by the Bank in its sole discretion.

Other Requirements: All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, physical needs assessment, standard flood hazard determination forms, legal documentation, insurance, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit

award, equity investor and pay-in schedule, information regarding real estate taxes (including proof of any tax-exempt status if applicable) and other terms and conditions as may be required.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

CONSTRUCTION LOAN

Construction Loan Amount: Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the least of:

- 1) \$17,947,298;
- 2) 85% LTC based on final Bank approved construction budget; or
- 3) 85% LTV based on the sum of the “as completed and stabilized” appraised value, including rent restrictions, plus the value of the Low Income Housing Tax Credits (the “LIHTC”) at the lesser of the value determined within Bank analysis of market pricing for the proposed market, or the gross amount being paid for the LIHTC’s by the syndicator/investor.

Construction Interest Rate: LIBOR+ 2.0%, floating. An interest rate protection product from a financial provider acceptable to the Bank may be required prior to funding of a loan. Borrower and any person or entity that at any time provides a guaranty of Borrower’s obligations in respect of such interest rate protection (including but not limited to any general partner of any thereof) will be required to be an “eligible contract participant” as such term is defined in the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute. The budget for the project will contain an interest reserve acceptable to Bank.

Construction Loan Term: Twenty-four (24) months from the loan closing.

Construction Loan Amortization: Interest only for 24 months.

Construction Loan Fee: 1.0% of the total Loan Commitment, payable at closing.

Construction Renewal Options:

One, six-month extension option subject to the following:

- 1) No less than 30 but no more than 90 day written notice of intention to exercise the option;
- 2) No event of default having occurred or potential default occurring;
- 3) Performance hurdles have been met, including but not limited to, lien-free construction completion and lease up hurdles;
- 4) The loan is in balance, including sufficient interest reserve;
- 5) Project must demonstrate the ability to be able to convert/payoff Bank’s loan within the 6-month extension period;
- 6) All co-construction loans mature or are extended concurrent or past the Bank’s extension date;
- 7) All takeout commitments expire or are extended concurrent or past the Bank’s extension date;
- 8) All investor commitments include terms or are modified to be consistent with the extension of the Bank’s loan;

- 9) No material adverse change in the financial condition of the Project, Borrower, and Guarantor;
- 10) Payment of 0.50% renewal fee based on the committed Loan amount; and
- 11) Rate adjustment or fee payment, as appropriate, to cover the cost of revising the forward rate lock, if any.

Payment and Performance Guaranty: 100 % guarantee of completion, performance and repayment to be provided by Highridge Costa Housing Partners. For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs. Guarantor must be acceptable to the Bank in its sole discretion, and will provide financial covenants including but not limited to minimum net worth and liquidity – TO BE DETERMINED.

Collateral:

- 1) First Lien Deed of Trust on land and improvements constructed thereon.
- 2) UCC filing on furniture, fixtures and equipment.
- 3) Assignment of rents/leases and management/construction/architectural contracts, etc.
- 4) Assignment of partnership interest, including capital contributions (collateral for Construction Loan only)
- 5) Assignment of interest rate hedge agreement, if any (collateral for Construction Loan only).

General Contractor: HCHP Contractors, L.P. The General Contractor is affiliated with Developer, Guarantor, Property Manager, or General Partner. Entity subject to Bank's full due diligence and approval. Guaranteed maximum price contract required. Contract must require 10% retainage.

Loan Advances: Construction loan advances will be made no more frequently than monthly and will be based on the percentage of completion method for actual work in place less retainage as confirmed and approved by the Bank and its third party construction consultant. All funds will be advanced into a construction account at and pledged to Bank.

Project Budget: Project budget must be approved by the Bank and include:

- 1) Minimum 5% construction contingency (if new construction), or 10% contingency (if rehabilitation of existing improvements);
- 2) Minimum 3% soft cost contingency;
- 3) Sufficient interest reserve to support the Project until it achieves the breakeven. Excess cash flow shall be used first to apply to accrued interest or interest then due with the remainder advanced from interest reserve; and
- 4) Bank may also require other reserves to be established with the Project budget.

PERMANENT LOAN:

Permanent Loan Amount: The least of:

- 1) \$5,876,938;
- 2) 80% LTV based on an appraisal in form and substance acceptable to the Bank (exclusive of any value attributable to the tax credits), or
- 3) the principal amount based on debt service payments sufficient to achieve a 1.15X DSCR.

LTV and DCR requirements are subject to change upon final underwriting. In the event the Project demonstrates a declining Net Operating Income in the Proforma, the Permanent Loan amount shall be sized

in accordance with the Project achieving a minimum annual DCR of 1.05x in year 15 year based on Bank approved trending of annual income and expenses. The Permanent Loan Amount is further restricted to the calculations and limitations as set forth in the “Secondary Financing” section below.

Permanent Loan Interest Rate: The Bank estimates that, were the Note rate fixed as of the date of this letter, the rate would be approximately 5.60%. THIS RATE IS INDICATIVE ONLY AND THE ACTUAL NOTE RATE MAY DIFFER. For underwriting purposes the Bank assumed a rate of 5.60%. The interest rate will be forward locked for a period of 24 months. Forward rate lock extension for one six-month period will be available at no charge.

Early Rate Lock Option and Rate Re-set: Borrower shall have the option to enter into an Early Rate Lock (“ERL”) for an initial ERL term of three (3) months. Borrower shall be qualified to secure an ERL once it has received from the Bank an initial approval of the loan request; it has returned a signed copy of this term sheet to the Bank with the required Project deposit listed below; Project must have be awarded tax credits and be in receipt of a signed letter of intent from a viable tax credit investor; and an ERL deposit of \$35,000 to secure the rate lock. Borrower may extend the term by another three (3) months for a total of six (6) months subject to the condition described herein. The rate lock period cannot exceed six (6) months in total at which point the rate may be subject to potential increase based on the greater of the original ERL or market conditions at that time. This deposit shall only be refundable upon construction loan closing and confirmation of a forward loan commitment on the permanent loan by the Bank or if the Bank does not approve the loan for any reason after final underwriting and due diligence.

Initial Extension & Forward Commitment Term: The standard twenty-four (24) month forward commitment includes a free six (6) month initial extension period, for a combined forward permanent loan commitment term of thirty (30) months. Borrowers opting for an Early Rate Lock will still be entitled to an initial six (6) month extension period, but if Borrower also opts to extend its ERL term by up to another three (3) months for a total of six (6) months, then the portion of the extension period that is free will be reduced by a corresponding period. The actual extension period may still be for up to six (6) months. For example, if the construction loan closes five (5) months after the ERL then the six (6) month free extension period will be reduced by two (2) months (calculated as the five (5) month ERL period leading up to construction loan close minus three (3) months).

Permanent Loan Maturity: Sixteen (16) years from the permanent loan conversion.

Amortization: Thirty-five (35) years.

Permanent Loan Fees: The greater of:

- 1) \$7,500.00 or
- 2) 1.0% of the total Loan Commitment, payable at construction loan closing.

There will also be a Conversion Fee equal to \$10,000 payable at conversion.

Conversion Terms:

- 1) Lien free completion.
- 2) Any applicable tax abatements or PILOTS are in place.
- 3) Property has stabilized over the prior three consecutive months as evidenced by 90% or greater physical and economic occupancy for each of the three months and achievement of 1:1.15 DSCR for that period.
- 4) Pay-off of the construction loan.

Guaranty: Highridge Costa Housing Partners (“Key Principals”) to guaranty traditional non-recourse exclusions from the Loan in form and substance acceptable to Bank. Financial condition of Key Principals will be subject to Bank review and approval.

Reserves: The Bank will require an initial replacement reserve of at least \$250 per unit. Other reserves may be required.

Property Manager: HCHP Property Management, L.P. will be the Project’s initial property manager. The Property Manager will earn a fee equal to an estimated maximum of 6% of the Project’s gross collected rents. Of the estimated 6% fee, 1% will be paid to HCHP Property Management L.P. and 5% will be paid to UAH Property Management, L.P. Entities are subject to Bank’s full due diligence and approval.

GENERAL PROVISIONS:

Syndicator/Investor: Syndicator and investor are subject to Bank approval. Investor(s) must be admitted into the partnership (or as member of a limited liability corporation) no later than closing of the Construction Loan.

LIHTC Equity:

- 1) Borrower must provide evidence satisfactory to Bank that it is entitled to an allocation of state and/or federal LIHTC’s and agree to perform all actions necessary to maintain the allocation of those tax credits.
- 2) Bank must review and approve the commitment letter, partnership agreement, and any other documentation evidencing purchase of the LIHTC’s.
- 3) Proceeds from the sale or syndication of the LIHTC’s must be in an acceptable amount and according to a pay-in schedule and funding conditions acceptable to the Bank.
- 4) Upfront investor limited partner equity shall be at least 10% of the total investor limited partner equity.
- 5) Bank of America, acting as Syndicator/Investor for the project, may elect a different equity pay-in schedule.
- 6) Assignment of tax credits required. (For Construction Loan only)
- 7) Initial capital contributions in excess of closing draw or subsequent capital contributions in excess of a concurrent draw request shall be deposited into an account at and pledged to Bank from which pending and subsequent draws shall be funded completely prior to advancing funds from the Construction Loan. In the event Bank and Borrower enter into a Construction Loan Disbursement Escrow Agreement, Bank will allow initial capital contribution in excess of closing draw may remain in escrow from which pending and subsequent draws are funded.

Secondary Financing: Secondary Financing is permitted, subject to Bank approval. Secondary Financing shall be subordinated to the Bank’s lien and secondary creditors who have not funded all proceeds prior to Bank proceeds shall execute an intercreditor agreement satisfactory in substance and form to the Bank, which limits and restricts the secondary creditor’s rights and remedies without the prior written consent of the Bank. Secondary Financing subordination terms and conditions shall be consistent with provisions contained in Bank’s form of subordination agreement and allow the potential refinance of the facilities contemplated herein. All Secondary Financing loan documents, including the subordination agreement, shall be acceptable to the Bank. The loan documents shall provide for traditional restrictions on Borrower encumbrances of the property. It is the Bank’s assumption that all Secondary Financing for the Project will be funded prior to or simultaneous with Construction Loan Closing. Sources of Secondary Financing not paid in their entirety at closing and to be provided by governmental agencies (Federal, State, or Local) shall be evidenced by a commitment at closing which shall indicate that the

allocation has been approved and funds allocated have been raised, reserved and available, and are not subject to clawback for other governmental priorities and, further, that the commitment does not obligate funds in excess of funds reserved. Any required “must pay” subordinate debt service shall be underwritten and factored into the minimum DSCR with a combined minimum of 1.15:1 DSCR and a maximum combined LTV of 90%.

Upfront Funding Sources: Total upfront funding, which may include LIHTC equity, developer equity, and/or subordinate debt shall equal a minimum of 15% of total development costs and will be advanced prior to the Bank’s Construction Loan.

Developer Fee Payout Schedule: Developer fee payout schedule is subject to Bank review and approval. Bank approved pay-in schedule will not necessarily defer to the partnership agreement but shall follow terms finalized for the loan agreement.

Market Analysis: Terms herein are subject to Bank’s satisfactory review and acceptance of overall market condition, demand/capture rate, absorption estimates, and subject property’s rent differential to market.

Fees and Expenses: Borrower will pay all reasonable costs incurred by the Bank in connection with the loans including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal. In the event that the proposed facility does not close, the undersigned will pay all such costs. Payment by Borrower/the undersigned of these expenses will not be contingent upon closing of the facility. Borrower acknowledges that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid pursuant hereto.

Restrictions: Subject to review and underwriting of any rent or other restrictions that may survive a foreclosure. Confirmation that unit rents post a foreclosure can adequately support the property based on current market conditions at that time, to be determined at Bank’s discretion.

Deposits: The Bank may require that the replacement reserve, any operating deficit reserve, operating account, and any other reserves required by other funding parties to the project be maintained at the Bank.

Regulatory Requirements: Subject to the review and approval of all regulatory agreements and/or land use restrictions as required for ad valorem tax abatement, Section 8 (HAP), subordinate debt, ground lease, or other sources of funding, as applicable. Evidence that ad valorem tax abatement coincides with the real estate collateral required. Attorney opinion of real estate tax abatement applicability may be required.

Credit Verification: Each legal entity and individual signing this term sheet hereby authorizes Bank to order credit reports, court searches, verification of deposits, and verification of mortgages on Borrower and Borrower’s owners or principals, including any to-be-formed entity or entities. Each individual signing below further authorizes Bank to check any credit references, verify his/her employment and obtain credit reports from credit reporting agencies of Bank’s choice in connection with the facility.

Material Adverse Change: Bank of America’s obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the

financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

Assumptions made: The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Expiration: This term sheet will expire at 5:00 p.m. on November 21st 2018, five (5) business days from the date hereof unless you execute this term sheet and return it to us prior to that time. Upon receipt of the signed letter, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this term sheet will finally expire at 5:00 p.m. on January 13th 2019, the date which is sixty (60) days from the date hereof.

Please understand that this Term Sheet does not represent an offer or commitment by Bank of America, or any of its affiliated entities, for the proposed new financing, nor does it define all of the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the approval of your loan request under the Bank's approval process. If Bank of America issues a financing commitment in this transaction, it will in all respects supersede this letter.

All interest rates and other pricing terms are quoted based on the assumption that the facility will not be classified as HVCRE (High Volatility Commercial Real Estate Exposure) pursuant to Basel III Regulations. The quoted interest rates and other pricing terms are potentially subject to change if the facility is anticipated to be classified as HVCRE pursuant to Basel III Regulations.

Any facility, as contemplated by this Term Sheet, will be subject to applicable flood insurance regulations at all times during the life of such facility. Compliance with flood insurance regulations will be tested prior to making, increasing, renewing or extending any such facility.

Bank of America and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPFS") hereby notify you that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act") and recent regulations implemented by the US Treasury's Financial Crimes Enforcement Network ("FinCEN") under the Bank Secrecy Act ("Additional KYC Regulations"), each of them is required to obtain, verify and record information that identifies you, which information includes, but is not limited to, your name, your address, a list of individuals, if any, who own directly or indirectly 25% or more equity interests of Borrower, the identification of one controlling person, organizational information on the ultimate parent of Borrower, and such other information that will allow Bank of America or MLPFS, as applicable, to identify you and comply with the Patriot Act and the Additional KYC Regulations prior to closing the loan.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any

action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the “bank exemption” provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

The undersigned represents and warrants that it has not engaged any broker with respect to the facility other than _____.

Sincerely,
Bank of America, N.A.



By:
Name: Charmaine Atherton
Title: Senior Vice President
Telephone: (213) 621-4816
Facsimile: (213) 621-4829
Email: Charmaine.atherton@baml.com

Please submit a loan application as outlined above:

Name: _____
Title: _____
Date: _____

BORGFELD HOUSING, LP

**AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP**

Dated as of April 26, 2017

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BORGFELD HOUSING, LP

AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP dated as of April 26, 2017, among HIGHRIDGE COSTA HOUSING, LLC, a Delaware limited liability company, as Managing General Partner (the “Managing General Partner”); BORGFELD HOUSING GP, LLC, a Delaware limited liability company, as Administrative General Partner (the “Administrative General Partner”); BANK OF AMERICA, N.A., a national banking association, as Investor Limited Partner (the “Investor Limited Partner”); BANC OF AMERICA CDC SPECIAL HOLDING COMPANY, INC., a North Carolina corporation, as Special Limited Partner (the “Special Limited Partner”); and VICTORIA CAPITAL, LLC, a California limited liability company, as the Withdrawing Limited Partner (the “Withdrawing Limited Partner”).

Preliminary Statement

The Partnership was formed as a limited partnership under the Uniform Act pursuant to an Agreement of Limited Partnership dated as of April 26, 2017, (the “Original Partnership Agreement”) and a Certificate of Formation (the “Certificate”) filed with the Office of the Secretary of State of the State of Texas (the “Filing Office”) on September 6, 2016.

The purposes of this amendment to, and restatement of, the Original Partnership Agreement is to (i) admit the Investor Limited Partner, and the Special Limited Partner as Partners, (ii) provide for the withdrawal of the Withdrawing Limited Partner as Limited Partner, and (iii) to set out more fully the rights, obligations, and duties of the Partners.

Now, therefore, it is agreed and certified, and the Original Partnership Agreement is hereby amended and restated in its entirety, as follows:

ARTICLE I

DEFINED TERMS

The defined terms used in this Agreement shall have the meanings specified below:

“Accountants” means CohnReznick LLP, Novogradac and Company, LLP, or any other firm of certified public accountants as may be engaged by the General Partners with the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed.

“Adjusted Aggregate Federal Low Income Tax Credit Amount” means the product of (i) 99.99% and (ii) the aggregate amount of Federal Low Income Tax Credits that is determined by the Accountants, at Cost Certification, to be available to the Property (and is reflected in the final IRS Form(s) 8609 for the Property) for the entire Credit Period, as such amount may be increased or decreased as a result of a subsequent determination by the Accountants, a Final Determination or a Recapture Event.

“Administrative General Partner” means Borgfeld Housing GP, LLC, a Texas limited liability company.

“Admission Date” means the date on which the Investor Limited Partner is admitted to the Partnership pursuant to Section 13.8.

“Adverse Consequences” means (i) all damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, liens, losses, expenses and fees, including court costs and reasonable attorneys’ fees and expenses actually paid, or reasonably expected to be paid, by the party suffering the Adverse Consequences in connection with any and all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, and rulings and (ii) the costs of any fees or other compensation to third parties reasonably required in connection with replacement of a General Partner.

“Affiliate” means, when used with reference to a specified Person: (i) any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer of, partner in, or trustee of, or serves in a similar capacity with respect to the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; (iii) any Person that, directly or indirectly, is the beneficial owner of, or controls, 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest (10% or more) in, the specified Person, or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities, or in which the specified Person has a substantial beneficial interest (10% or more); and (iv) any relative or spouse of the specified Person that is a natural person. Affiliate of the Partnership or a General Partner does not include a Person who is a partner in a partnership or joint venture with the Partnership unless that Person is otherwise an Affiliate of the Partnership or General Partner.

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a passthrough entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by any Governmental Authority or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received; *provided, however*, for the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the actual marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to such Person.

“Agreement” means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Appraised Value” means, as of the Determination Date, the estimated fair market value of an asset determined by an Independent Appraiser in accordance with the procedures set forth in Section 7.7F. In determining the Appraised Value of the real estate comprising the Property, such Independent Appraiser shall take into account the rent and occupancy restrictions affecting

the Project which are set forth in the Code or in the Project Documents, as well as any increase in real estate taxes which is triggered by the removal of a General Partner.

“Architect” means Humphreys & Partners Architects, L.P., and its successors.

“Asset Management Fee” means an annual fee payable to the Special Limited Partner equal to \$7,500 per year, earned on an annual basis, beginning on the first day of the first month following Permanent Mortgage Commencement (with a pro-rata share of such fee earned for any partial calendar year) and increasing annually at a rate of 3%. The Asset Management Fee is payable solely from available Cash Flow and Capital Transaction Proceeds as provided in Section 10.1A and 10.1B and shall accrue, without interest, until there is sufficient cash available to pay accrued Asset Management Fee as set forth in Section 10.1A and 10.1B.

“Assignment” shall mean any assignment, transfer or sale, and the words “assign,” “assignee” and “assignor” shall have correlative meanings, except in each case where the sense of this Agreement requires a different construction.

“Builder” means HCHP Contractors, LP, and its successors.

“Building” or “Buildings” means any or all of the buildings to be located on the Land which, in the aggregate, will contain 136 dwelling units upon completion of construction.

“Capital Account” means, with respect to any Partner, the Capital Account maintained by the Partnership with respect to such Partner, consisting of (i) the amount of cash such Partner has contributed to the Partnership plus (ii) the fair market value of any property such Partner has contributed to the Partnership net of liabilities assumed by the Partnership or to which such property is subject plus (iii) the amount of profits and tax-exempt income allocated to such Partner less (iv) the amount of losses allocated to such Partner less (v) the amount of all cash distributed to such Partner less (vi) the fair market value of any property distributed to such Partner net of liabilities assumed by such Partner or to which such property is subject less (vii) such Partner’s share of any other expenditures which are not deductible by the Partnership for federal income tax purposes or which are not allowable as additions to the basis of Partnership property, and subject to such other adjustments as may be required under the Code.

“Capital Contribution” means the total amount of cash contributed or agreed to be contributed to the Partnership by each Partner as shown in the Schedule. Any reference in this Agreement to the Capital Contribution of a then Partner shall include a Capital Contribution previously made by any prior Partner in respect to the Partnership interest of such then Partner. The term “Capital Contribution” shall include any Special Capital Contribution.

“Capital Transaction” means any transaction the proceeds of which are not includable in determining Cash Flow, including without limitation the sale, refinancing or other disposition of all or substantially all of the assets of the Partnership, but excluding loans to the Partnership (other than a refinancing of any Mortgage Loan) and contributions of capital to the Partnership by the Partners.

“Carryover Allocation” means the Carryover Allocation to be entered into by and between the Credit Agency and the Partnership providing for an allocation of \$15,000,000 Tax Credits to the Project in the annual amount of not less than \$1,500,000.

“Cash Available for Debt Service Requirements” means, for any specified period of consecutive months beginning not earlier than the Completion Date, the excess of (i) all Cash Receipts during such period over (ii) all cash requirements of the Partnership properly allocable to such period of time on an accrual basis (not including distributions or fees to Partners payable solely out of Cash Flow of the Partnership) and, on an annualized basis, all projected expenditures, including those of a seasonal nature which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation, as determined by the Accountants but specifically excluding Debt Service Requirements. For purposes of this definition, (i) cash requirements of the Partnership shall include to the extent not otherwise covered above, full funding of reserves that are not part of Debt Service Requirements, normal repairs and necessary capital improvements (not including those paid from reserves that are already included as an expense) and (ii) if free rent or other rental concessions shall have been granted to tenants, the calculation of rental revenues under clause (i) of the preceding sentence shall be adjusted so that the effect of such concessions is amortized equally over the term of all leases (excluding renewal periods) to which they apply.

“Cash Flow” means the excess of Cash Receipts over Operating Expenses. Cash Flow shall be determined separately for each Fiscal Year or portion thereof.

“Cash Receipts” means with respect to a Fiscal Year or other applicable period, all cash receipts, from whatever source derived during such period, including rental revenue, laundry income, parking revenue, and other incidental revenues which are received by the Partnership on a cash basis during such period and arise from normal operations of the Project but specifically excluding interest on Partnership reserves, proceeds from insurance (other than business or rental interruption insurance), loans, proceeds of a Capital Transaction or Capital Contributions. In addition, any amount released without restriction from any escrow account in a Fiscal Year shall be considered a cash receipt of the Partnership for such Fiscal Year.

“Certificate” means the certificate of formation of the Partnership under the Uniform Act, as amended from time to time in accordance with the terms hereof and the Uniform Act.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the Treasury Regulations promulgated thereunder at the time of reference thereto.

“Completion Date” means the latest of: (i) the date on which the Investor Limited Partner shall have received copies of all requisite certificates or permits permitting occupancy of 100% of the Units in the Project as issued by each Governmental Agency having jurisdiction; *provided, however,* that if such certificates or permits are of a temporary nature, the “Completion Date” shall not be deemed to have occurred unless that work remaining to be done is of a nature which would not impair the permanent occupancy of any of such Units; (ii) the date as of which the Construction Inspector or Architect certifies that the work to be performed by the Builder under the Construction Contract is substantially complete, subject only to punch list items not in excess of \$150,000 in the aggregate, and that such work has been performed in a good and workmanlike

manner in accordance with applicable requirements of all Governmental Authorities having jurisdiction over the Project and the Construction Documents; (iii) the Builder has delivered a lien waiver with respect to work performed and/or materials supplied through the Completion Date and for which it has been paid to date, and (iv) environmental remediation of the Property, if any, has been completed in accordance with the requirements of any Governmental Authority having jurisdiction over the Project. Any representation by any General Partner under this Agreement that the Completion Date has occurred shall be subject to confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property; *provided, however*, that in the event that the Investor Limited Partner does not make such physical inspection of the Property within ten (10) business days after having received any such General Partner's representation, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement.

"Completion Loan" has the meaning set forth in Section 6.7.

"Compliance Period" means the entire period during which the "compliance period" described in Section 42(i)(1) of the Code shall be applicable to any Building.

"Condemnation Awards" means any and all judgments, awards of damages (including severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of condemnation of the Property, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any condemnation or threatened condemnation of the Property.

"Consent of the Investor Limited Partner" means the prior written consent or approval of the Investor Limited Partner, or, if at any time there is more than one Investor Limited Partner, the prior written consent or approval of at least 51% in interest of the Investor Limited Partners.

"Construction Contract" means the construction contract between the Partnership and the Builder providing for the construction of the Improvements, as amended from time to time.

"Construction Documents" means the Construction Contract, including, without limitation, the general conditions, project manual (including general requirements and technical specifications, drawings or sketches), the Plans and Specifications, and any addenda thereto, together with all trade contracts pursuant to which construction of the Improvements will be accomplished. Any conflict between one or more Construction Documents shall be resolved in accordance with the precedence of documents set forth in the Construction Contract.

"Construction Inspector" means the Person performing construction review services for the Construction Lender, or such other Person designated from time to time by the Investor Limited Partner. At any time that the Construction Lender is the Investor Limited Partner or an Affiliate thereof, then the Construction Inspector will be the Person designated by the Construction Lender to perform the acts described in the preceding sentence.

"Construction Lender" means Bank of America, N.A. as maker of the Construction Loan, together with its successors and assigns in such capacity.

“Construction Loan” means the construction loan in the amount of up to \$17,947,298 made by the Construction Lender to the Partnership, which loan has a term of 24 months and bears interest at the rate of 3.780%.

“Construction Loan Agreement” means the agreement by and between the Construction Lender and the Partnership which sets forth the terms and conditions upon which the Construction Loan is being made to the Partnership.

“Construction Loan Documents” means the Construction Loan Agreement, Construction Loan Mortgage, Construction Loan Note, and all other documents evidencing and securing the Construction Loan or otherwise entered into connection therewith.

“Construction Loan Mortgage” means the first-priority mortgage securing the obligations of the Partnership under the Construction Loan Note.

“Construction Loan Note” means the promissory note in the original principal amount of \$17,947,298 executed by the Partnership in favor of the Construction Lender as evidence of its obligation to repay the Construction Loan.

“Consumer Price Index” means the Consumer Price Index for All Urban Consumers, All Cities, for All Items (base 1982-84 = 100) published by the United States Bureau of Labor Statistics. In the event such index is not in existence when any determination relying on such index under this Agreement is to be made, the most comparable governmental index published in lieu thereof shall be substituted therefor.

“Cost Certification” means the submission to, and acknowledgment of receipt by, the Credit Agency of a certified audit by the Accountants of the Partnership’s development and related costs for purposes of establishing the amount of Federal Low Income Tax Credits available to the Project. A draft of the audit described in the preceding sentence shall be submitted to the Investor Limited Partner for approval prior to submission to the Credit Agency.

“Credit Agency” means the Texas Department of Housing and Community Affairs, or any successor State agency thereto having a jurisdiction over the allocation of the Tax Credits.

“Credit Period” means the entire period during which the “credit period” described in Section 42(f)(1) shall be applicable to any Building.

“Credit Reservation” means the Credit Reservation issued by the Credit Agency on August 29, 2016 providing for a conditional reservation of Tax Credits to the Project in the annual amount of \$1,500,000.

“Debt Service Coverage Ratio” means, for any specified period of consecutive calendar months beginning not earlier than the Completion Date, a fraction, the numerator of which is the Cash Available for Debt Service Requirements with respect to such period and the denominator of which is the Debt Service Requirements for such period. The achievement by the Partnership of a specified Debt Service Coverage Ratio shall be confirmed by the Accountants and shall be subject to independent confirmation by the Investor Limited Partner pursuant to a physical inspection of the Property for the purpose of confirming that the Property is in good condition

and repair (ordinary wear and tear excepted); *provided, however*, that (i) no objection by the Investor Limited Partner to the determination of the Accountants based on its physical inspection of the Property shall be valid unless the General Partners are notified of such objection, and the specific reasons therefor, within seven (7) business days following the completion of such inspection and (ii) in the event that the Investor Limited Partner does not make such physical inspection of the Property within ten (10) business days after having received the Accountants' determination letter, then the Investor Limited Partner will be deemed to have waived the physical inspection requirement.

"Debt Service Requirements" means, for any specified period of consecutive calendar months beginning not earlier than the Completion Date, all debt service, mortgage insurance premium and/or other cash requirements imposed by the Mortgage Loan Documents.

"Deferred Development Fee" has the meaning attributed thereto in the Development Agreement.

"Designated Prime Rate" means the annual rate of interest which is at all times equal to the lesser of (i) the highest prime rate as published in the *Wall Street Journal* (or any comparable publication selected by the Investor Limited Partner in its reasonable discretion if the *Wall Street Journal* ceases to publish such index), with calculations of interest to be made on a daily basis and on the basis of a three hundred sixty (360)-day year and (ii) the maximum rate permitted by law in the applicable context.

"Designated Proceeds" means the proceeds of the Mortgage Loans, any net rental or other miscellaneous income of the Partnership as of the Completion Date (to the extent not otherwise covered by this Designated Proceeds definition) which is permitted by any applicable Lender or Governmental Agency to be utilized for Development Costs, the Capital Contributions (excluding any Special Capital Contributions and Capital Contributions of the General Partners in excess of the amounts permitted under Section 4.1), and any insurance proceeds arising out of casualties prior to the Development Obligation Date.

"Determination Date" means the last day of the month preceding the month in which the Removal Notice Date occurs.

"Developer" means collectively, Managing General Partner and Casa Linda Affordable Housing, LLC, a Texas limited liability company.

"Development Advances" has the meaning set forth in Section 6.7.

"Development Agreement" means the Development Agreement of even date herewith between the Partnership and the Developer, as amended.

"Development Amount" has the meaning attributed thereto in the Development Agreement.

"Development Costs" means all costs (including the Development Amount net of the Deferred Development Fee) incurred to (i) acquire the Land, (ii) complete the construction of the Improvements or cause the same to be completed in a good and workmanlike manner, free and

clear of all mechanics', materialmen's or similar liens, and equip the Improvements or cause the same to be equipped, all substantially in accordance with the Project Documents and the drawings and specifications forming a part of the Construction Contract, (iii) arrive at Final Closing in substantial conformity with the Project Documents, (iv) discharge all Partnership liabilities and obligations arising out of any casualty giving rise to the receipt of insurance proceeds, (v) pay or provide for all other payments, expenses, escrows or reserves required by this Agreement or by any Lender, Governmental Agency or Partnership creditor to be made, incurred or funded through the Development Obligation Date (other than Operating Expenses incurred through the Development Obligation Date and reserves which are to be funded from other sources) and (vi) pay all Environmental Compliance Costs and all costs associated with the performance of any radon remediation activities which may be required pursuant to Section 12.1G.

"Development Fee Note" means a promissory note evidencing the obligation to pay the Deferred Development Fee as such term is defined in Section 5.C. of the Development Agreement attached hereto as **Exhibit L**, and in the form attached as Exhibit A to the Development Agreement.

"Development Obligation Date" means the latest to occur of (i) three (3) consecutive calendar months of not less than 90% occupancy of the Units, (ii) the Completion Date, (iii) the Initial Occupancy Date, (iv) Final Closing, and (v) delivery of the Certificate of Achievement of Development Obligation Date in the form attached to **Exhibit H**.

"Disqualifying Event" means, to the extent there is HUD financing or HUD insured financing on the Project, a material event or circumstance relating to the Partnership or Project which, unless cured, would give rise to a "flag" affecting Bank of America, N.A. or its Affiliates under the HUD previous participation certification system or any comparable previous participation qualification system maintained by any other jurisdiction and which would adversely impact the ability of Bank of America, N.A. or its Affiliates to participate in properties utilizing federal, state or local subsidized housing programs. Without limitation of the foregoing, if the Partnership shall be subject to regulation by HUD, the determination by HUD that the Project has failed to satisfy HUD's minimum standards for physical condition (under current practice, receipt of a HUD REAC inspection score of under 31) and other conditions under which a flag could be placed on the Project pursuant to HUD Notice H-2011-24, issued September 13, 2011, shall be deemed an event described in the preceding sentence.

"Document Schedule" means the Related Agreements identified in **Exhibit B**.

"Economic Risk of Loss" has the meaning set forth in Treasury Regulation Section 1.752-2.

"Election Notice" has the meaning given to it in Section 5.3B.

"Eligible Basis" has the meaning set forth in Section 42(d) of the Code and the Treasury Regulations thereunder.

"Entity" means any general partnership, limited partnership, limited liability company or partnership, corporation, joint venture, trust, business trust, cooperative or association.

“Environmental Compliance Costs” means all costs necessary to bring the Land and the Project into compliance with all Hazardous Waste Laws.

“Environmental Reports” means the environmental reports listed in **Exhibit I**.

“Event of Bankruptcy” means, as to a specified Person:

(a) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

(b) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by him to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of such Person or for any substantial part of his property, or the making by him of any assignment for the benefit of creditors, or the failure of such Person generally to pay his debts as such debts become due, or the taking of action by such Person in furtherance of any of the foregoing; or

(c) in the case of a Person who is a General Partner, the voluntary withdrawal of such Person as a General Partner in violation of the terms of this Agreement.

“Expense Reimbursement Contribution” means a Special Capital Contribution in the amount of the actual legal and other professional costs of the Investor Limited Partner incurred in connection with the Investor Limited Partner’s admission to the Partnership, in an amount up to \$100,000. The Investor Limited Partner will make the Expense Reimbursement Contribution concurrent with the payment of the First Installment of its Capital Contribution. The proceeds of the Expense Reimbursement Contribution will be immediately disbursed by the Partnership to pay or to reimburse such expenses of the Investor Limited Partner.

“Extended Use Agreement” means the agreement required to be entered into between the Credit Agency and the Partnership respecting long-term use restrictions and satisfying all of the requirements of Section 42(h)(6) of the Code.

“Federal Low Income Tax Credits” means the tax credits for which the Project is eligible under Section 42 of the Code.

“Final Closing” means the date upon which all of the following events have occurred: (i) the Completion Date and receipt of the final (non-temporary) certificates of occupancy permitting occupancy of 100% of the Units in the Project, (ii) Permanent Mortgage Commencement, (iii) the Project’s being free of any mechanics’ or other liens (except for the Mortgages and liens either bonded against in such a manner as to preclude the holder thereof

from having any recourse to the Project or the Partnership for payment of any debt secured thereby or affirmatively insured against (in such manner as precludes recourse to the Partnership for any loss incurred by the insurer) by the Title Policy or by another policy of title insurance issued to the Partnership by a reputable title insurance company in an amount satisfactory to Investor Tax Counsel (or by an endorsement of either such title policy)), (iv) a draft Cost Certification has been prepared by the Accountants and provided to the Investor Limited Partner for review, (v) the disbursement of proceeds under the Mortgage Loans has been made in the full amount permitted by such Cost Certification, (vi) delivery to the Investor Limited Partner of permanent Mortgage Loan Documents in form and substance reasonably acceptable to the Investor Limited Partner (to the extent not previously delivered in connection with Investment Closing), (vii) all amounts due in connection with the construction of the Project have been paid or provided for, including payment of all expenses associated with completing any punch list items outstanding as of the Completion Date, (viii) the date of delivery to the Investor Limited Partner of an ALTA “as-built” survey sufficient to allow delivery of a date-down endorsement to the Title Policy without a survey exception and otherwise in compliance with the requirement of Section 6.5A(viii); (ix) delivery of a date-down endorsement without a survey exception, and (x) the full funding of any reserves required under the Mortgage Loan Documents and this Agreement.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (ii) the date on which the Service has entered into a binding agreement with the Partnership with respect to such issue or on which the Service has reached a final administrative determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired, or (iv) the date on which the applicable statute of limitations for raising an issue regarding a federal income tax matter with respect to the Partnership has expired.

“Final Tax Credit Amount” means the amount of Federal Low Income Tax Credits determined by the Accountants promptly following the receipt of Form 8609 with respect to the Project and prior to the Fourth Installment based on all information available at such time including, but not limited to, the Cost Certification prepared by the Accountants in connection with obtaining Form 8609.

“First Full Credit Year” means the first calendar year with respect to which the Partnership actually receives the full (twelve-month) amount of Federal Low Income Tax Credits then reasonably anticipated with respect to all Buildings constituting the Project.

“Fiscal Year” means the twelve-month period which begins on the first day of January and ends on the thirty-first day of December of each calendar year (or ends on the date of final dissolution for the year in which the Partnership is wound up and dissolved).

“Forms 8609 Receipt Date” means the date on which the Partnership has received properly executed IRS Form 8609 with respect to the Building constituting the Project and delivered copies thereof to the Investor Limited Partner.

“General Partners” means, initially, Highridge Costa Housing, LLC and Borgfeld Housing GP, LLC, and any Person who becomes a General Partner as provided herein. If at any time the Partnership shall have a sole General Partner, the term “General Partners” shall be construed as singular.

“Governmental Agency” means, as applicable, the Credit Agency, and/or any other government agency having jurisdiction over the particular matter to which reference is being made.

“Guarantor” means Highridge Costa Housing Partners, LLC, a Delaware limited liability company.

“Guaranty Agreement” means the guaranty of even date herewith, made by the Guarantor in favor of the Investor Limited Partner.

“Hazardous Material” means and includes any pollutant or contaminant or any hazardous, toxic or radioactive waste, substance or material, including without limitation those listed in or regulated under any Hazardous Waste Laws, polychlorinated biphenyls, petroleum, petroleum-based or petroleum-derived products, mold, and asbestos or asbestos-containing materials. For purposes of this Agreement, Hazardous Material shall not include household cleaners, office supplies, or other items typically found in a multifamily housing development, so long as the use thereof is in compliance with all applicable Hazardous Waste Laws.

“Hazardous Waste Laws” means and includes the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980; the Resource Conservation and Recovery Act; the Toxic Substances Control Act and any other federal, state or local statutes, ordinances, regulations or by-laws dealing with Hazardous Material, as the same may be amended from time to time and including any regulations promulgated thereunder.

“HUD” means the Department of Housing and Urban Development of the United States of America and its successors.

“Improvements” means the Buildings and any related facilities to be constructed and/or rehabilitated in accordance with the Project Documents.

“Incentive Management Fee” means the fee payable from time to time by the Partnership to the Managing General Partner and Administrative General Partner for their services to the Partnership pursuant to Section 6.9B.

“Independent Appraiser” means a firm which is generally qualified to render opinions as to the fair market value of assets such as those owned by the Partnership, which is mutually acceptable to the General Partners and the Special Limited Partner and which satisfies the following criteria:

- (a) such firm is not a Partner, or an Affiliate of the Partnership or any Partner;
- (b) such firm (or a predecessor in interest to the assets and business of such firm) has been in business for at least five (5) years, and at least one of the principals of

such firm has been in the active business of appraising substantially similar assets for at least ten (10) years;

(c) such firm has regularly rendered appraisals of substantially similar assets for at least five (5) years on behalf of a reasonable number of unrelated clients, so as to demonstrate reasonable market acceptance of the valuation opinions of such firm;

(d) one or more of the principals or appraisers of such firm are members in good standing of an appropriate professional association or group which establishes and maintains professional standards for its members; and

(e) such firm renders an appraisal to the Partnership only after entering into a contract that specifies the compensation payable for such appraisal.

“Initial Economic Projections” means the economic projections for the Project attached as **Exhibit J**.

“Initial Occupancy Date” shall mean the first date upon which not less than 90% of the Low Income Units in the Project are occupied by Qualified Tenants at least one time under bona fide written leases satisfying the requirements of Section 42 of the Code with terms of not less than six (6) months. The achievement of the Initial Occupancy Date shall be confirmed by the Management Agent and certified by the General Partner with a copy of such confirmation and certification, together with the rent roll and Tenant Income Certifications for each of the Qualified Tenants, forwarded to the Special Limited Partner. The Initial Occupancy Date will be deemed to have been achieved upon written acknowledgment of such confirmation to the Partnership from the Special Limited Partner. The Special Limited Partner shall have seven (7) Business Days after receipt of the written confirmation from the Manager and General Partner to acknowledge or object to the achievement of the Initial Occupancy Date, and the failure to acknowledge or object to the calculation with such seven (7)-Business Day period shall be deemed to be an acceptance of the calculation by the Special Limited Partner. All objections must be commercially reasonable, and shall be delivered in writing to the General Partner, who shall have a reasonable time to cure such objections to the calculations received from the Special Limited Partner.

“Installment” means any Installment of the Capital Contributions of the Investor Limited Partner referred to in Section 5.1.

“Insurance Proceeds” means the insurance claims under and the proceeds of any and all policies of insurance covering the Property or any part thereof, including all returned and unearned premiums with respect to any insurance relating to such Property, in each case whether now or hereafter existing or arising.

“Interest,” or words of like import, shall mean all the interest of a Partner in Cash Flow and other distributions, capital, profits and losses, tax credits, and otherwise in the Partnership, including all allocations and distributions and all rights under this Agreement, and also shall include such interests and rights of such Partner in any successor Entity formed pursuant to this Agreement.

“Investment Closing” means the date on which this Agreement is delivered by all of the parties hereto.

“Investor Limited Partner” means, initially, Bank of America, N.A., and shall include any other Persons admitted as an Investor Limited Partner pursuant to Section 4.6 or admitted as a Substitute Limited Partner pursuant to Section 8.2, and their respective successors in such capacity.

“Investor Tax Counsel” means Buchalter, a Professional Corporation of Los Angeles, California, or other counsel acceptable to the Investor Limited Partner.

“Land” means the parcels of land on which the Improvements are located in Cibolo, Texas as described in Schedule A of the Title Policy.

“Lender” means any lender under any Mortgage Loan together with its respective successors and assigns in such capacity.

“Limited Partner” or “Limited Partners” mean any or all of those Persons designated as Limited Partners in the Schedule, any Person admitted as a Limited Partner pursuant to Section 4.6, or any Person who becomes a Substitute Limited Partner as provided herein, in each such Person’s capacity as a Limited Partner of the Partnership. Such terms shall include the Special Limited Partner, the Investor Limited Partner and any Persons who may succeed to the Interests of such Limited Partners.

“Low Income Unit” means any of the 119 Units in the Project which are to be held for occupancy by the Partnership in such manner as to qualify such units as qualified low-income housing units under Section 42(i)(3) of the Code.

“Management Agent” means HCHP Property Management, L.P., or any successor thereto engaged by the General Partners as the management agent for the Project with the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed.

“Management Agent Fee” means a fee in the amount of 1% of gross rental income to be paid to the Management Agent as contemplated in Section 11.1.

“Management Agreement” means the management contract or agreement by and between the Partnership and the Management Agent which has received all Requisite Approvals.

“Management Fee” means the amount payable from time to time by the Partnership to the Management Agent for management services in accordance with the Management Agreement which shall be subject to any Requisite Approvals.

“Managing General Partner” means Highridge Costa Housing, LLC, a Delaware limited liability company, or any other Managing General Partner designated as provided in Section 6.3B.

“Material Default” has the meaning set forth in Section 7.7B.

“Mortgage” means any mortgage indebtedness of the Partnership evidenced by any Note and secured by any mortgage on the Property from the Partnership to any Lender; and, where the context admits, “Mortgage” shall mean and include any of the mortgages securing said indebtedness and any other documents pertaining to said indebtedness which were required by the Lender as a condition to making such Mortgage Loan. In case any Mortgage is replaced by any subsequent mortgage or mortgages, such term shall refer to any such subsequent mortgage or mortgages. The term “mortgage” means any mortgage, mortgage deed, deed of trust, deed to secure debt or any similar security instrument, and “foreclose” and words of like import include the exercise of a power of sale under a mortgage or comparable remedies.

“Mortgage Loan” means the Construction Loan and the Permanent Loan.

“Mortgage Loan Commitments” means and includes the commitment of (i) the Construction Lender to make the Construction Loan of up to \$17,947,298, and (ii) the Permanent Lender to make the Permanent Loan of up to \$4,950,000.

“Mortgage Loan Documents” means the loan agreements, Notes, Mortgages and other documents evidencing and securing any Mortgage Loan or otherwise entered into connection therewith.

“Net Capital Contribution” means \$14,773,524.

“Net Proceeds” means, when used with respect to any Condemnation Awards or Insurance Proceeds, the gross proceeds from any condemnation or casualty of the Property remaining after payment of all expenses, including reasonable attorneys’ fees, incurred in the collection of such gross proceeds.

“Note” means and includes any promissory note from the Partnership to a Lender evidencing a Mortgage Loan, and shall also mean and include any note supplemental to said original note issued to a Lender or any note issued to a Lender in substitution for any such original note.

“Operating Deficit” means the amount by which Operating Expenses exceed Cash Receipts.

“Operating Expense Loan” means a loan to the Partnership pursuant to Section 6.8A which is repayable with interest at the Applicable Federal Rate and only as provided in Article X.

“Operating Expenses” means (i) up to and including the Development Obligation Date, those expenses, properly accruable through such date which may be properly charged as operating expenses of the Project under standard accounting procedures and which are allocable, in accordance with generally accepted accounting principles, to Units for which all requisite approvals for occupancy have been obtained; such operating expenses may include real estate taxes and debt service and mortgage insurance premiums, if any, with respect to the Mortgage Loans (to the extent such operating expenses are not funded out of Designated Proceeds), but shall not include any costs required to be capitalized in accordance with generally accepted accounting principles; and (ii) after the Development Obligation Date, all the costs and expenses

of any type incurred incidental to the ownership and operation of the Project, including, without limitation, taxes, capital improvements reasonably deemed necessary by the General Partners and not funded out of any reserves for such, mortgage and bond insurance premiums, if any, and the cost of operations, debt service, maintenance and repairs, and the funding of any reserves required to be maintained by any Lender or Governmental Agency or pursuant to this Agreement, but shall not include (i) repayments of Operating Expense Loans made pursuant to Section 6.8A , (ii) distributions or payments to Partners pursuant to Article X, (iii) obligations that are payable solely from Cash Flow, or (iv) capital improvement costs paid from a reserve the funding of which is already contemplated as an expense under this definition.

“Operating Reserve” means the operating reserve described in Section 6.11B.

“Partner” means any General Partner or Limited Partner.

“Partner Nonrecourse Debt” means any Partnership liability (i) that is considered non-recourse under Treasury Regulation Section 1.1001-2 or for which the creditor’s right to repayment is limited to one or more assets of the Partnership and (ii) for which any Partner or Related Person bears the Economic Risk of Loss.

“Partner Nonrecourse Debt Minimum Gain” means the amount of partner nonrecourse debt minimum gain and the net increase or decrease in partner nonrecourse debt minimum gain determined in a manner consistent with Treasury Regulation Sections 1.704-2(d), 1.704-2(i)(2) and (i)(3) and 1.704-2(k).

“Partnership” means the limited partnership governed by this Agreement as said limited partnership may from time to time be constituted.

“Partnership Counsel” means Locke Lord LLP of 600 Congress Avenue, Suite 2200, Austin, Texas 78701 or such other counsel as the General Partners may designate from time to time as counsel for the Partnership.

“Partnership Administration Fee” means the fee payable from time to time by the Partnership to the Administrative General Partner for its administrative services to the Partnership pursuant to the Partnership Management Agreement.

“Partnership Management Agreement” means the Partnership Management Agreement between the Partnership and the Managing General Partner and the Administrative General Partner pursuant to which the Managing General Partner and the Administrative General Partner are each to provide certain management services to the Partnership.

“Partnership Management Fee” means the fee payable from time to time by the Partnership to the Managing General Partner for its management services to the Partnership pursuant to the Partnership Management Agreement.

“Partnership Minimum Gain” means the amount determined by computing, with respect to each Partnership Nonrecourse Liability, the amount of gain, if any, that would be realized by the Partnership if it disposed of (in a taxable transaction) the property subject to such liability in full satisfaction of such liability, and by then aggregating the amounts so computed. Such

computations shall be made in a manner consistent with Treasury Regulation Sections 1.704-2(d) and 1.704-2(k).

“Partnership Nonrecourse Liability” means any Partnership liability (or portion thereof) for which no Partner or Related Person bears the Economic Risk of Loss.

“Partnership Representative” is defined under “TMP” below.

“Payment Certificate” has the meaning given it in Section 5.1B(i).

“Permanent Lender” means Bank of America, N.A., together with its successors and assigns in such capacity.

“Permanent Loan” means the permanent loan in the amount of up to \$4,950,000 made by Permanent Lender to the Partnership, which loan will have a term of 35 years, amortizing over a 35-year schedule, and will bear interest at the rate of 5.45%.

“Permanent Loan Documents” means the Permanent Loan Agreement, Permanent Loan Mortgage, Permanent Loan Note, and all other documents evidencing and securing the Permanent Loan or otherwise entered into connection therewith.

“Permanent Loan Agreement” means the agreement between the Permanent Lender and the Partnership setting forth the terms and conditions upon which the Permanent Loan is being made to the Partnership.

“Permanent Loan Mortgage” means the first-priority mortgage securing the obligations of the Partnership under the Permanent Loan Note.

“Permanent Loan Note” means the promissory note in the original principal amount of \$4,950,000 to be executed by the Partnership in favor of Permanent Lender as evidence of its obligation to repay the Permanent Loan.

“Permanent Mortgage Commencement” means the latest to occur of: (i) partial repayment of the Construction Loan to an amount equal to \$4,950,000 with remaining outstanding debt converted into a permanent loan, (ii) termination of any construction phase guarantees granted in connection with any Mortgage Loan, (iii) full disbursement of the principal amount of the Permanent Loan and (iv) commencement of monthly amortization of principal and interest under the Mortgage Loan Documents (to the extent the Mortgage Loan Documents provide for principal amortization).

“Person” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

“Plans and Specifications” means the plans and specifications for the construction of the Property approved by the Construction Lender, the Credit Agency, and the Special Limited Partner, including, without limitation, specifications for materials, and all amendments and modifications thereof, as the same may from time to time be amended with the prior written approval of the Special Limited Partner, provided, however, if the Construction Lender is the

Investor Limited Partner or an Affiliate thereof, no such approval by the Special Limited Partner will be required if such changes are approved by the Construction Lender.

“Project” or “Property” means the Land and the Improvements.

“Project Documents” means and includes this Agreement, the Construction Contract, the Guaranty Agreement, the Mortgage Loan Documents, the Tax Credit Application, the Credit Reservation, the Carryover Allocation, the Extended Use Agreement, the Development Agreement, any Regulatory Agreement, the Management Agreement, the Property Management Agreement, the Mortgage Loan Commitments, and all other documents relating to the Project which are required by, or have been executed in connection with, any of the foregoing documents.

“Projected Aggregate Federal Low Income Tax Credit Amount” means \$14,998,500 which is the product of (i) 99.99% and (ii) the aggregate amount of Federal Low Income Tax Credits expected to be available to the Property during the Credit Period. If, following any determination or redetermination of the Adjusted Aggregate Federal Low Income Tax Credit Amount pursuant to Section 5.2, such amount is different than the Projected Aggregate Federal Low Income Tax Credit Amount, then, for purposes of any subsequent application of Section 5.2, the term “Projected Aggregate Federal Low Income Tax Credit Amount” shall mean the Adjusted Aggregate Federal Low Income Tax Credit Amount, provided that any required adjustment(s), payment(s) or Tax Credit Shortfall Payments have been made pursuant to the provisions of Section 5.2 on account of such difference.

“Property Management Agreement” has the meaning set forth in Section 11.1.

“Property Manager” means UAH Property Management, L.P., or any successor thereto engaged by the Management Agent as the property manager for the Project with the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed.

“Purchase Option Agreement” means the Purchase Option Agreement of even date herewith between the Partnership and Managing General Partner.

“Qualified Income Offset Item” means (i) an allocation of loss or deduction that, as of the end of each year, reasonably is expected to be made (a) pursuant to Section 704(e)(2) of the Code to a donee of an interest in the Partnership, (b) pursuant to Section 706(d) of the Code as the result of a change in any Partner’s interest in the Partnership, or (c) pursuant to Regulation Section 1.751-1(b)(2)(ii) as the result of a distribution by the Partnership of unrealized receivables or inventory items and (ii) a distribution that, as of the end of such year, reasonably is expected to be made to a Partner to the extent it exceeds offsetting increases to such Partner’s Capital Account which reasonably are expected to occur during or prior to the Partnership taxable year in which such distribution reasonably is expected to occur.

“Qualified Tenant” means a tenant (i) with income not exceeding the percentage of area gross median income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases an apartment unit in the Project under a lease having an original term of

not less than six (6) months at a rent not in excess of that specified in Section 42(g)(2) of the Code, and (ii) complying with any other requirements imposed by the Project Documents.

“Recapture Event” means an event, as evidenced by a determination thereof by the Accountants or as a result of a Final Determination, which results in a recapture with respect to all or any portion of the Partnership’s Tax Credits and/or which results in a disallowance of any Tax Credits previously claimed by the Partnership; provided that, a change in law that results in a recapture, reduction, or elimination of Tax Credits does not constitute a Recapture Event.

“Regulations” means the rules and regulations of any Governmental Agency which are applicable to the Project or the Partnership.

“Regulatory Agreement” means any regulatory agreements, affordability restrictions, restrictive covenants or other similar documents entered or to be entered into between or by the Partnership and/or for the benefit of any Lender or Governmental Agency with respect to the Project, as amended from time to time.

“Related Agreements” means each agreement, document and certificate referred to in the Document Schedule.

“Related Person” has the meaning set forth in Treasury Regulation Section 1.752-4(b) or any successor regulation thereto.

“Removal Notice” shall have the meaning set forth in Section 7.7.

“Removal Notice Date” shall have the meaning set forth in Section 7.7.

“Requisite Approvals” means any required approvals of the Lender and each Governmental Agency to an action proposed to be taken by the Partnership.

“Retirement” (including the forms “Retire” and “Retired”) means, as to a General Partner, and shall be deemed to have occurred automatically upon, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution or voluntary or involuntary withdrawal from the Partnership for any reason. Involuntary withdrawal shall occur whenever a General Partner may no longer continue as a General Partner by law, death, incapacity or pursuant to any terms of this Agreement. A General Partner which is an Entity (an “Entity General Partner”) also will be deemed to have Retired upon the sale or other disposition of a controlling interest in such Entity General Partner. Without limitation of the foregoing, any of the foregoing events occurring as to an individual or Entity which directly or indirectly holds a controlling interest in an Entity General Partner shall also be deemed to constitute the Retirement of any such Entity General Partner. For purposes of this definition, “controlling interest” shall mean the power to direct the management and policies of such Entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Revised Economic Projections” means the economic projections calculated immediately prior to payment of the Fourth Installment using the same assumptions and methodology as the Initial Economic Projections, revised to reflect the actual construction costs and available Federal Low Income Tax Credits at such time and taking into account all other changes from the

Initial Economic Projections which affect the amount and timing of benefits, including the month the Project is placed into service for purposes of Section 42 of the Code, the actual rate of lease-up for the Low Income Units, and the actual operating history of the Project.

“Schedule” means the Schedule of Partners annexed hereto as **Exhibit A** as amended from time to time and as so amended at the time of reference thereto.

“Service” means the Internal Revenue Service.

“Special Capital Contribution” means a capital contribution described in and made pursuant to Section 6.8A or Section 6.11 and the Expense Reimbursement Contribution.

“Special Endorsements” means, collectively, (i) a non-imputation endorsement, (ii) a comprehensive endorsement, (iii) a contiguity endorsement (if the Land consists of more than one parcel), (iv) an access endorsement, (v) a zoning endorsement for improved land (including any applicable parking provisions), (vi) a Fairways endorsement (unless substantially similar coverage is provided under the general policy), (vii) a blanket easement endorsement, (viii) a subdivision endorsement, (ix) a same as survey endorsement, (x) a separate tax lot endorsement, (xi) a maximum loss endorsement, (xii) a restriction, encroachment, minerals endorsement, (xiii) a condominium endorsement (if applicable), and (xiv) any other endorsements reasonably requested by the Special Limited Partner to the extent available in the State, each in a form reasonably acceptable to the Special Limited Partner.

“Special Limited Partner” means Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, and its successors.

“State” means the State of Texas.

“Substitute Limited Partner” means any Person who is admitted to the Partnership as a Limited Partner under the provisions of Section 8.2.

“Tax Credit Application” means the application submitted to the Credit Agency to obtain the Credit Reservation, as amended from time to time, including all documentation submitted to the Credit Agency concurrently therewith or pursuant thereto.

“Tax Credit Shortfall Payments” has the meaning attributed thereto in Section 5.2E.

“Tax Credits” means the Federal Low Income Tax Credits.

“Ten Percent Test Qualification” means receipt by the Special Limited Partner of evidence satisfactory to the Special Limited Partner demonstrating that the Partnership has met the “ten percent test” set forth in Section 42(h)(1)(E)(ii) of the Code with respect to the Project.

“Tenant Income Certification” means a tenant’s initial tax credit certification, including the tenant income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.), a copy of one completed lease signed and dated

for each building in the Property, and a copy of the first and last page of each lease of each Low Income Unit, showing the start date of the lease and signature of the resident(s) and owner.

“Title Policy” means the TLTA owner’s policy of title insurance issued to the Partnership by Chicago Title Insurance Company as endorsed to include the Special Endorsements in the amount of \$21,326,916 (which represents the sum of the Investor Limited Partner’s Net Capital Contributions and the maximum principal amount of the permanent Mortgage Loans) and dated not more than ten (10) days prior to Investment Closing.

“TMP” or “Partnership Representative” means the Managing General Partner designated as Tax Matters Partner or Partnership Representative of the Partnership in accordance with Section 6.2, as applicable.

“Transfer” means any sale, exchange, assignment, encumbrance, hypothecation, pledge, foreclosure, conveyance, gift or other transfer of any kind, whether direct or indirect, voluntary or involuntary. When used as a verb, such term shall mean, voluntarily or involuntarily, to sell, exchange, assign, encumber, hypothecate, pledge, foreclose, convey in trust, give or otherwise transfer.

“Uniform Act” means the Texas Business Organizations Code as in effect under the laws of the State, as amended from time to time.

“Units” means any of the 136 dwelling units in the Project.

“Withdrawal Purchase Price” shall have the meaning set forth in Section 7.7D.

“Withdrawing Limited Partner” means Victoria Capital, LLC, a California limited liability company.

ARTICLE II

CONTINUATION, NAME AND PURPOSE

Section 2.1 Continuation

The parties hereto hereby agree to continue the limited partnership known as Borgfeld Housing, LP, which was formed pursuant to the provisions of the Uniform Act.

Section 2.2 Name and Office; Agent for Service

A. The Partnership shall be conducted under the name and style set forth in Section 2.1. The principal office of the Partnership shall be at 330 West Victoria Street, Gardena, California 90248. The Managing General Partner may at any time change the location of such principal office and shall give prompt notice of any such change to the Limited Partners.

B. The name and address of the agent of the Partnership for service of process shall be: Corporation Service Company d/b/a CSC-Lawyers Incorporating Service, 211 E. 7th Street, Suite 620, Austin, Texas 78701.

Section 2.3 Purpose

The purpose of the Partnership is to acquire, construct, develop, repair, improve, maintain, operate, manage, lease, dispose of and otherwise deal with the Project, which shall be known as El Sereno Senior Apartments, in accordance with any applicable Regulations and the provisions of this Agreement. The Partnership shall not engage in any other business or activity.

Section 2.4 Authorized Acts

In furtherance of its purposes, but subject to all other provisions of this Agreement including, but not limited to, Article VI, the Partnership is, and the General Partners acting on its behalf are, hereby authorized:

(i) To acquire by purchase, lease or otherwise any real or personal property which may be necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(ii) To acquire, construct, rehabilitate, operate, maintain, finance and improve, and to own, sell, convey, assign, mortgage or lease the Project and any other real estate and any personal property necessary, convenient or incidental to the accomplishment of the purposes of the Partnership.

(iii) To borrow money and issue evidences of indebtedness in furtherance of any or all of the purposes of the Partnership and to secure the same by mortgage, deed of trust, security interest, pledge or other lien on the Property or any other assets of the Partnership, to the extent permitted by the Project Documents.

(iv) To prepay in whole or in part, refinance, renew, recast, increase, modify or extend any Mortgage and in connection therewith to execute any extensions, renewals, or modifications of such Mortgage.

(v) To employ any Person, including any Affiliate, to perform services for, or to sell goods to, the Partnership and to pay for such goods and services; *provided that* (except with respect to any contract specifically authorized by this Agreement) the terms of any such transaction with an Affiliate shall not be less favorable to the Partnership than would be arrived at by unaffiliated parties dealing at arms' length.

(vi) To execute any and all Notes, Mortgages and security agreements in order to secure loans from any Lender and any and all other documents, including but not limited to the Project Documents, required by any Lender or any Governmental Agency in connection with each Mortgage and the acquisition, construction, repair, development, improvement, maintenance and operation of the Property.

(vii) To execute agreements with any Governmental Agency.

(viii) To execute leases of the Units in the Project.

(ix) To modify or amend the terms of any agreement or contract which the General Partners are authorized to enter into on behalf of the Partnership; *provided, however,* that such terms as amended shall not (1) materially adversely affect the Partnership or the Limited Partners, or (2) be in contravention of any of the terms or conditions of this Agreement.

(x) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership, so long as said activities and contracts may be lawfully carried on or performed by a partnership under the laws of the State.

(xi) To execute the Related Agreements and any notices, documents or instruments permitted or required to be executed or delivered in connection therewith or pursuant thereto.

ARTICLE III

TERM AND DISSOLUTION

A. The Partnership shall continue in full force and effect until December 31, 2067, except that the Partnership shall be dissolved prior to such date upon the happening of any of the following events:

(i) the sale or other disposition of all or substantially all the assets of the Partnership;

(ii) the Retirement of a General Partner unless the business of the Partnership is continued pursuant to Article VII;

(iii) the election to dissolve the Partnership made in writing by the General Partners with the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, and any Requisite Approvals; or

(iv) the entry of a final decree of dissolution of the Partnership by a court of competent jurisdiction.

B. Upon dissolution of the Partnership (unless the business of the Partnership is continued pursuant to Article VII), the Managing General Partner (or for purposes of this paragraph their trustees, receivers, successors or legal representatives) shall cause the cancellation of the Certificate, liquidate the Partnership assets and apply and distribute the proceeds thereof in accordance with Section 10.2. Notwithstanding the foregoing, in the event such liquidating General Partners shall determine that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the liquidating General Partners may, in order to avoid such loss, defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy the Partnership debts and obligations (other than Operating Expense Loans).

ARTICLE IV

PARTNERS; CAPITAL

Section 4.1 General Partners

A. The initial General Partners of the Partnership are Highridge Costa Housing, LLC and Borgfeld Housing GP, LLC, and their addresses and Capital Contributions are set forth in the Schedule. In no event shall the aggregate Capital Contributions of the General Partner (excluding any Special Capital Contributions, Capital Contributions made for Tax Credit Shortfall Payments pursuant to Section 5.2E, Capital Contributions made pursuant to Section 4.1B below and amounts, if any, paid pursuant to Section 10.2A) exceed \$100 without the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed.

B. In the event the entire Development Amount and accrued but unpaid interest thereon has not been paid by the fifteenth anniversary of the Completion Date, each General Partner shall make a Capital Contribution to the Partnership in the amount necessary to pay the balance of the Development Amount owed to that General Partner's Affiliated Developer entity, and the Managing General Partner shall cause the Partnership to immediately apply such proceeds to the discharge of such obligation in full.

Section 4.2 Limited Partners

A. The Special Limited Partner is hereby admitted to the Partnership. Its address and Capital Contribution are set forth in the Schedule.

B. The Investor Limited Partner is hereby admitted to the Partnership. Its address and Capital Contributions are set forth in the Schedule. The payment of its Capital Contribution is governed by Section 5.1.

Section 4.3 Partnership Capital and Capital Accounts

A. The capital of the Partnership shall be the aggregate amount contributed by the Partners as set forth in the Schedule. No interest shall be paid by the Partnership on any Capital Contribution. If necessary or appropriate, amendments to the Certificate shall be filed from time to time to reflect the withdrawal or admission of Partners. The Schedule may be amended from time to time to reflect any changes in the Interest held or amount contributed or agreed to be contributed by any Partner.

B. An individual Capital Account shall be established and maintained for each Partner, including any additional or substituted Partner who shall hereafter receive an Interest. The original Capital Account established for each such substituted Partner shall be in the same amount as, and shall replace, the Capital Account of the Partner which such substituted Partner succeeds, and, for the purposes of this Agreement, such substituted Partner shall be deemed to have made the Capital Contribution, to the extent actually paid in, of the Partner which such substituted Partner succeeds. The term "substituted Partner", as used in this paragraph, shall mean a Person who shall become entitled to receive a share of the allocations and distributions of

the Partnership by reason of such Person succeeding to the Interest of a Partner by assignment of all or any part of a Partner's Interest. To the extent a substituted Partner receives less than 100% of the Interest of a Partner he succeeds, the original Capital Account of such substituted Partner and its Capital Contribution shall be acquired in such proportion or amount as agreed to by the substituted Partner and assigning Partner and the assigning Partner who retains a partial Interest in the Partnership shall retain the remainder of its Capital Contribution and Capital Account. Any special basis adjustments under Section 743 of the Code resulting from an election by the Partnership pursuant to Section 754 of the Code shall not be taken into account for any purpose in establishing and maintaining Capital Accounts for the Partners pursuant to this Section 4.3.

C. Nothing in this Section 4.3 shall affect the limitations on transferability of Interests set forth in Article VII or Article VIII.

D. The Withdrawing Limited Partner is Victoria Capital, LLC of Gardena, California. By its execution of this Agreement, the Withdrawing Limited Partner hereby withdraws as a Limited Partner, and the Withdrawing Limited Partner, as such, shall have no further rights with respect to the Partnership as of the Admission Date.

Section 4.4 Withdrawal of Capital

Except as may be specifically provided in this Agreement, no Partner shall have the right to (i) withdraw from the Partnership all or any part of its Capital Contribution or (ii) demand and receive property of the Partnership in return for its Capital Contribution or in respect of its Interest.

Section 4.5 Liability of Limited Partners

A. No Limited Partner shall be liable for any debts, liabilities, contracts, or obligations of the Partnership. A Limited Partner shall be liable only to make payments of its Capital Contribution as and when due hereunder. After its Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Uniform Act or Section 10.2A, be required to make any further capital contributions or payments or lend any funds to the Partnership.

B. In no event shall any Person who is at any time a member or manager of the Investor Limited Partner, or any partner, member or Affiliate of any such Person, have any personal liability for the payment or performance of any obligation of the Investor Limited Partner under the provisions of this Agreement or any document or instrument to be delivered in connection with this Agreement, including, without limitation, the obligations of the Investor Limited Partner to contribute capital to the Partnership. All parties dealing with the Investor Limited Partner shall look solely to the assets of the Investor Limited Partner for the satisfaction of any such obligation.

Section 4.6 Additional Limited Partners

The General Partners may admit additional Limited Partners only with the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion.

Section 4.7 Agreement to be Bound by Documents

Each General Partners and Limited Partner shall be bound by the terms of this Agreement and the Project Documents. Any incoming General Partner and Limited Partner, as a condition of receiving any Interest, shall agree to be bound by this Agreement and the Project Documents to the same extent and on the same terms as the other General Partners and Limited Partners, respectively. Upon any dissolution of the Partnership or any Transfer of the Property while any Mortgage is held by any Lender, no title or right to the possession and control of the Property and no right to collect the rents therefrom shall pass to any Person who is not, or does not become, bound in a manner satisfactory to the Lender and the Governmental Agency to the Project Documents and the provisions of this Agreement. The Project Documents shall be binding upon and shall govern the rights and obligations of the Partnership, its successors and assigns as long as the corresponding Mortgage Loans are outstanding.

ARTICLE V

CAPITAL CONTRIBUTIONS OF INVESTOR LIMITED PARTNER

Section 5.1 Installments of Capital Contributions

A. The Investor Limited Partner shall contribute as its Capital Contribution the sum of \$14,773,524, payable in four (4) installments (the “Installments”) as follows:

(i) the first Installment (the “First Installment”) in the amount of \$896,438 plus the Expense Reimbursement Contribution shall be paid on the date of Investment Closing;

(ii) the Second Installment (the “Second Installment”) in the amount of \$2,090,393 shall be payable on the later to occur of (a) the Completion Date (including receipt by the Investor Limited Partner of copies of all certificates or permits permitting occupancy of the Project and a current title search report demonstrating that the Project is free of any mechanics’ or other liens (except for liens which are bonded against in a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby)), or (b) May 1, 2018; provided, however, that up to \$500,000 of the Second Installment may be payable 90 days prior to the date set forth above so long as Investor Limited Partner receives (i) confirmation that the scheduled Completion Date will be met and (ii) evidence that no mechanics’ liens have been filed with respect to the Property, each satisfactory to the Investor Limited Partner in its sole and absolute discretion.

(iii) the third Installment (“Third Installment”) in the amount of \$11,652,923 shall be payable on the later to occur of (a) achievement of a 115% Debt Service Coverage Ratio for each of three (3) consecutive calendar months (which period must include the last day of the month immediately preceding the month in which this Third Installment is to be paid), (b) the Initial Occupancy Date, (c) physical occupancy of at least 90% of the Units, (d) Final Closing, including, without limitation, Permanent Mortgage Commencement (which may occur simultaneously with the payment of this

Third Installment), (e) funding of all reserves required under this Agreement, or (f) February 1, 2019.

(iv) the fourth Installment (the “Fourth Installment”) in the amount of \$133,770 shall be payable on the later to occur of (a) the Forms 8609 Receipt Date, (b) receipt of a recorded copy of the Extended Use Agreement, (c) determination by the Accountants of the Final Tax Credit Amount and the calculation of any adjustment required pursuant to Section 5.2 reasonably satisfactory to the Investor Limited Partner and agreed to by the General Partner, (d) receipt by the Investor Limited Partner of a copy of the tax credit compliance audit report of initial tenant files conducted by a qualified third-party firm reasonably approved by the Investor Limited Partner, or (e) May 1, 2019.

B. The Partners and the Partnership hereby authorize and direct the Investor Limited Partner to pay and remit directly into the “Capital Account” as defined in the Construction Loan Documents, (a) the First Installment for disbursement in accordance with the terms of the Construction Loan Documents, and (b) such portion of the Third Installment as is necessary to pay down the Construction Loan to the principal amount of the Permanent Loan. The amount of any Installments paid directly to the Construction Lender will be deemed to have been contributed by the Investor Limited Partner to the Partnership in satisfaction of its obligations under Section 5.1A.

C. The obligation of the Investor Limited Partner to make each Installment (except as otherwise provided) is subject to each of the following conditions:

(i) The General Partners shall have properly completed, executed and delivered to the Investor Limited Partner a certificate relating to the appropriate remaining Installments (the “Payment Certificate”), in the forms attached hereto as **Exhibit D, Exhibit E, and Exhibit F** relating to the appropriate remaining Installments, dated the date such Installment is to be paid to the Partnership and attaching the Title Policy endorsement and any other materials referred to therein. In connection with the payment of each Installment, the Investor Limited Partner shall have the right to conduct a physical inspection of the Property to confirm the status of construction or rehabilitation thereof or to determine that the condition of the Project is consistent with sound business practices in the geographic area in which the Project is located, including no deferred maintenance. The Investor Limited Partner shall conduct such inspection within ten (10) business days of being requested to do so by the General Partners, *provided, however,* that the Investor Limited Partner will be deemed to waive such physical inspection requirement if it does not make such inspection within ten (10) business days of receipt of a written request by the General Partners to do so (which may be sent prior to the date of the Payment Certificate, but not more than ten (10) business days prior to the date of the Payment Certificate).

(ii) In the case of the First Installment, all Requisite Approvals to the admission of the Investor Limited Partner pursuant to this Agreement shall have been obtained and the Project shall have received a Carryover Allocation and Credit Reservation in the amount of at least \$1,500,000 per annum.

(iii) Each of the representations and warranties set forth in Section 6.5 shall be true and correct in all material respects.

(iv) No event shall have occurred and remain uncured, which would permit the Investor Limited Partner to give an Election Notice under Section 5.3.

(v) From and after the date of the occurrence of an Event of Bankruptcy as to any General Partner, any Guarantor or the Developer, the obligation of the Investor Limited Partner to pay the Installments shall be suspended, and such obligation shall be reinstated only when such Event of Bankruptcy shall have been cured in a manner approved in writing by the Investor Limited Partner.

(vi) No Installment shall be payable unless all conditions for all prior Installments have been satisfied.

(vii) The Construction Inspector shall reasonably believe that each of the Buildings will be placed in service for purposes of Section 42(h)(1)(E) of the Code not later than December 31, 2018 (which determination shall be subject to confirmation by the Investor Limited Partner), unless the Managing General Partner submits a plan to the Investor Limited Partner that evidences that placement in service will be achieved by December 31, 2018.

Section 5.2 Adjustment to Capital Contributions of Investor Limited Partner

The Capital Contribution of the Investor Limited Partner shall be subject to adjustment in the manner provided in this Section 5.2.

A. Federal Low Income Tax Credit Downward Basis Adjuster. If at any time and from time to time for any reason the Accountants shall determine that, or there shall be a Final Determination or Recapture Event pursuant to which, the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner during the Credit Period for all of the Buildings in the Project is or will be less than the Projected Aggregate Federal Low Income Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be reduced in the aggregate by the sum of (i) \$0.985 (the "Federal Low Income Tax Credit Downward Basis Adjustment Factor") for each \$1.00 that the Adjusted Aggregate Federal Low Income Tax Credit Amount is less than the Projected Aggregate Federal Low Income Tax Credit Amount (except to the extent such shortfall is attributable to the recapture of Federal Low Income Tax Credits previously reported on a Partnership tax return, in which event the Federal Low Income Tax Credit Downward Basis Adjustment Factor shall be \$0.985 with respect to the portion of such shortfall attributable to such recapture), (ii) the amount of any interest and/or penalties paid or payable by the Investor Limited Partner (or its participants) as a result of any Recapture Event affecting the foregoing calculation and (iii) 6% per annum commencing on the Date such amount is due hereunder and continuing until the payment of the amount of such reduction in full, except to the extent such shortfall is attributable to a change in law (for purposes of this clause (iii), any reduction effected by reduction in the amount of an Installment as provided in Section 5.2 shall be deemed to have been paid on the date on which such Installment shall actually become payable hereunder).

B. Federal Low Income Tax Credit Downward Timing Adjuster. If at any time and from time to time for any reason the Accountants shall determine that, or there shall be a Final Determination pursuant to which, the amount of the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is less than \$690,057 in 2018, or \$1,499,850 in 2019 (the “Federal Downward Timing Adjuster Target Amounts”), then the Capital Contribution of the Investor Limited Partner shall be reduced by \$0.65 for each \$1.00 that the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is less than \$690,057 in 2018, and \$1,499,850 in 2019. Notwithstanding the foregoing, however, (i) in the event that the Adjusted Aggregate Federal Low Income Tax Credit Amount shall vary from the Projected Aggregate Federal Low Income Tax Credit Amount in effect on the date of the Investment Closing, the Federal Downward Timing Adjuster Target Amounts for purposes of the preceding sentence shall be adjusted by the same percentage by which the Adjusted Aggregate Federal Low Income Tax Credit Amount varies from the Projected Aggregate Federal Low Income Tax Credit Amount and (ii) if 2018 is not the First Full Credit Year, comparable adjustments shall be made for any subsequent year which precedes the First Full Credit Year.

C. Federal Low Income Tax Credit Upward Basis Adjuster. If at any time and from time to time the Accountants shall determine or there shall be a Final Determination that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner during the Credit Period is greater than the Projected Aggregate Federal Low Income Tax Credit Amount, then the Capital Contribution of the Investor Limited Partner shall be increased, subject to the provisions of Section 5.2E below, by \$0.985 for each \$1.00 that the Adjusted Aggregate Federal Low Income Tax Credit Amount properly allocable to the Investor Limited Partner during the Credit Period is greater than the Projected Aggregate Federal Low Income Tax Credit Amount.

D. Federal Low Income Tax Credit Upward Timing Adjuster. If the Accountants shall determine or there shall be a Final Determination that the amount of the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is greater than \$690,057 in 2018 (the “Federal Upward Timing Adjuster Target Amounts”), then the Capital Contribution of the Investor Limited Partner shall be increased, subject to the provisions of Section 5.2E below, by \$0.985 for each \$1.00 that the Federal Low Income Tax Credits properly allocable to the Investor Limited Partner is greater than \$690,057 in 2018. Notwithstanding the foregoing, however, in the event that the Adjusted Aggregate Federal Low Income Tax Credit Amount shall vary from the Projected Aggregate Federal Low Income Tax Credit Amount in effect on the date of the Investment Closing, the Federal Upward Timing Adjuster Target Amounts for purposes of the preceding sentence shall be adjusted by the same percentage by which the Adjusted Aggregate Federal Low Income Tax Credit Amount varies from the Projected Aggregate Federal Low Income Tax Credit Amount.

E. Application of Adjustments.

(i) If, upon the occurrence of any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2 (aggregating and/or netting, as applicable, all concurrent adjustments applicable to the Investor Limited Partner under this Section 5.2), there is a net reduction in such Capital Contribution, then such net reduction shall be applied first to reduce the amount of any

unpaid Installments of the Capital Contribution of the Investor Limited Partner, in order, by a corresponding amount. If the net reduction exceeds the amount of such unpaid Installments, then the Managing General Partner will pay to Limited Partner the amount of such excess, on an After-Tax Basis (a “Tax Credit Shortfall Payment”), which payment shall be treated as an advance to the Partnership by Managing General Partner and a distribution from the Partnership to the Investor Limited Partner to the Investor Limited Partner, no later than seventy-five (75) days of the end of the calendar year in which the determination is made, provided, however, Investor Limited Partner may determine, in its reasonable discretion, that such treatment could reduce the amount of Federal Low Income Tax Credits which would otherwise be allocable to the Investor Limited Partner under this Agreement).

(ii) If, upon the occurrence of any determination or event giving rise to an adjustment in the Capital Contribution of the Investor Limited Partner under this Section 5.2 (aggregating and/or netting, as applicable, all concurrent adjustments under this Section 5.2), there is a net increase in such Capital Contribution, then such net increase shall be paid at the time of the Fourth Installment, and if the Fourth Installment has already been paid, shall be paid by the Investor Limited Partner within seventy-five (75) days of the date of the determination in question.

(iii) If placement in service for purposes of Section 42(h)(1)(E) has not occurred by December 31, 2018 or the rate of Federal Low Income Tax Credits is not equal to 9% in the month that the Project is placed in service, the adjustments in this Section 5.2E shall apply.

(iv) In no event will the application of adjustments set forth in this Section 5.2 cause Capital Contributions of the Investor Limited Partner to increase by more than five percent (5%) without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner’s sole and absolute discretion and which consent is subject to approval by the Investor Limited Partner’s investment committee.

F. Provisional Adjustments. If, upon receipt by the Investor Limited Partner of a Payment Certificate with respect to any Installment, the Investor Limited Partner shall have a reasonable basis to believe that the amount of such Installment would have been subject to reduction if the Accountants had made a current determination or projection under any of the preceding provisions of this Section 5.2, the Investor Limited Partner may so notify the General Partners within seven (7) business days of receipt of such Payment Certificate, and the General Partners shall thereupon engage the Accountants to make such determination or projection (unless the General Partners and Investor Limited Partner shall mutually agree upon the adjustments to be made). The amount of the Installment in question shall then be provisionally reduced in accordance with such projection or agreement; *provided, however*, that if the Accountants’ subsequent determinations with respect to matters provisionally reduced under this paragraph shall vary from the determinations or mutual agreements described herein, then either (i) the Investor Limited Partner shall promptly pay to the Partnership the amounts, if any, by which the provisional reduction exceeded the reduction as subsequently determined or (ii) the amount, if any, by which the reduction as subsequently determined exceeded the provisional reduction shall be applied against future Installments or refunded as provided in Section 5.2E

above. The due date for payment by the Investor Limited Partner of any Installment or any portion of an Installment held back pursuant to this section shall be suspended until the Accountant's determination of the provisional reduction (if any) as provided herein.

G. The obligations of the Managing General Partner set forth in this Section 5.2 shall expire at the end of the Compliance Period and shall be guaranteed pursuant to that certain Guaranty Agreement of even date herewith. The obligations of the Managing General Partner set forth in Section 6.8 of this Agreement expire in accordance with Section 6.8 of this Agreement and are limited in amount. The limitations imposed in Section 6.8 are separate and distinct from the obligations imposed under this Section 5.2 and should not be construed as limiting in any manner the duration or amount of the obligations described in this Section 5.2.

Section 5.3 Repurchase of Investor Limited Partner's Interest

A. The General Partners hereby agree to purchase the Interest of the Investor Limited Partner if any of the following events shall occur:

(i) Final Closing shall not have taken place on or before the date of maturity of the Construction Loan, *provided, however*, that such date may be automatically extended for a period of up to twelve (12) months to the extent the expiration dates set forth in the Mortgage Loan Commitments shall have been extended beyond such date; or

(ii) at any time prior to the Development Obligation Date, (1) any action to foreclose any Mortgage shall have been commenced and such action is not terminated or withdrawn within forty-five (45) days or a binding agreement with the holder(s) thereof to effect the same entered into within such period, and any notice of acceleration of indebtedness waived or withdrawn; (2) any action is commenced to foreclose any mechanics' or any other lien (other than the lien of any Mortgage) against the Project and such action has not within forty-five (45) days been either bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Property or to the Partnership for payment of any debt secured thereby, or affirmatively insured against by the title insurance policy or an endorsement thereto issued to the Partnership by a reputable title insurance company (which insurance company will not have indemnity from or recourse against Partnership assets by reason of any loss it may suffer by reason of such insurance) in an amount satisfactory to Investor Tax Counsel; or (3) construction or operation of the Project shall have been enjoined by a final order (from which no further appeals are possible) of a court having jurisdiction and such injunction shall continue for a period of forty-five (45) days; or

(iii) any of the Mortgage Loan Commitments is terminated, withdrawn or becomes unenforceable (except as a result of full performance thereof in accordance with its terms) and such Commitment is not reinstated (or replaced on terms at least as favorable to the Partnership) within forty-five (45) days; or

(iv) prior to the Completion Date, a casualty occurs resulting in substantial destruction of the Project, and the insurance proceeds (if any) are insufficient to restore

the Project or the Project is not so restored within twenty-four (24) months following such casualty; or

(v) the Project shall become ineligible for 30% or more of the Projected Aggregate Federal Low Income Tax Credit Amount; or

(vi) the Partnership shall fail to achieve Development Obligation Date within 24 months following the Completion Date or shall fail to achieve Ten Percent Test Qualification by the latest date permitted under Section 42(h)(1)(E)(ii) of the Code; or

(vii) the Forms 8609 Receipt Date shall not have occurred by the due date (as the same may have been properly extended, if applicable) for filing of the Partnership's federal income tax returns for the first year of the Credit Period (unless such delay is due to the Credit Agency or is otherwise, in the judgment of the Special Limited Partner, beyond the reasonable control of the General Partners); or

(viii) any Lender or Governmental Agency shall disapprove, or fail to give a required approval of, the Investor Limited Partner as a Partner of the Partnership; or

(ix) the Construction Inspector or the Investor Limited Partner shall have reasonably determined that it is no longer likely that each of the Buildings will be placed in service for purposes of Section 42(h)(1)(E) of the Code by December 31, 2018.

B. If any such event set forth in Section 5.3A shall occur, the Managing General Partner shall give notice to the Investor Limited Partner of the obligations of the Managing General Partner hereunder to purchase its Interest (such obligation being herein called a "Purchase Obligation" and such notice the "Purchase Obligation Notice") within fifteen (15) days after the occurrence of any event giving rise to such obligation. If the Investor Limited Partner elects to sell its Interest hereunder, it shall give the General Partners notice of such election (an "Election Notice") within thirty (30) days after such Purchase Obligation Notice from the General Partners is received by the Investor Limited Partner (or, in the event that such Purchase Obligation Notice from the General Partners is not given, at any time after the occurrence of such event).

C. Within ten (10) business days after delivery to the General Partners of an Election Notice from the Investor Limited Partner, the Managing General Partner shall pay the Investor Limited Partner a purchase price (the "Purchase Price") in cash (with interest thereon at an annual rate one percentage point above the Designated Prime Rate commencing on the tenth (10th) day following the date of such delivery) equal to (i) the sum of (a) 100% of the Investor Limited Partner's Net Capital Contribution that has been paid-in to the Partnership, increasing 8% per annum commencing on the Admission Date through the fifth (5th) day following the date of such delivery, *plus* (b) the actual out-of-pocket costs (including any legal, accounting and consulting fees and any interest or penalties) paid by the Investor Limited Partner in connection with any recapture of Tax Credits allocated to the Investor Limited Partner pursuant to this Agreement *less* (ii) the sum of (a) the amount of Cash Flow theretofore distributed by the Partnership in respect of the Investor Limited Partner's Interest and (b) the amount of any Tax Credits allocable to the Interest which will not be recaptured as a result of the disposition of said

Interest or otherwise. In the event that a Purchase Obligation arises pursuant to Section 5.3A(iv), the Purchase Price shall be offset by any amounts distributed to the Investor Limited Partner pursuant to Section 10.1D.

D. Upon the giving of its Election Notice, the Investor Limited Partner shall have no further obligations under this Agreement, and the Managing General Partner shall indemnify and defend the Investor Limited Partner and hold it harmless against any such obligations. The Managing General Partner shall take all action and shall pay all costs necessary to enable the Investor Limited Partner to receive and retain the Purchase Price as against any creditor of any General Partner or the Partnership. Notwithstanding the purchase by the Managing General Partner of the Interest of the Investor Limited Partner pursuant to Section 5.3A, to the extent permitted under the applicable provisions of the Code, the Investor Limited Partner shall be allocated any profits or losses and tax credits in respect of said Interest for the period prior to the date of the receipt by the Investor Limited Partner of payment therefor. Anything herein to the contrary notwithstanding, title to the Interest of the Investor Limited Partner shall not vest in the Managing General Partner until payment in full of the Purchase Price therefor. Upon such payment, the General Partners shall forthwith cause an amendment hereto and to the Certificate (if required under State law) and any other necessary papers to be executed, filed, recorded and published wherever required showing such substitution.

E. No agreement affecting the Project shall prevent the exercise by the Investor Limited Partner of its right to require the purchase by the Managing General Partner of its Interest in the manner described in this Section 5.3.

F. The Investor Limited Partner shall have the right to waive its right to have its Interest repurchased at any time during which any of such rights shall be in effect. Any such waiver shall be exercised by delivery to the General Partners of a written notice stating under which clause(s) of this Section it is waiving its right to have its Interest repurchased and that its rights under such specified clause(s) are thereby irrevocably waived from that date forward.

G. Should any General Partner repurchase the Interest of the Investor Limited Partner pursuant to this Section 5.3, then the Special Limited Partner agrees to withdraw from the Partnership at the same time as the Investor Limited Partner's withdrawal is effective.

Section 5.4 Redemption of Partnership Interest.

At any time after payment of Investor Limited Partner's Net Capital Contribution, Investor Limited Partner may require that the Managing General Partner purchase the Investor Limited Partner's Interest and the Special Limited Partner's Interest, subject to all then existing liens and encumbrances to title, for an amount equal to \$100 (the "Put Option"). To exercise the Put Option, the Investor Limited Partner must deliver to the General Partners an irrevocable written notice of such exercise. The purchase by the Managing General Partner will be closed within 60 days after the later of (i) the Investor Limited Partner's exercise of such right, or (ii) the receipt of all required consents, if any. Any conveyance from the Investor Limited Partner and the Special Limited Partner to the Managing General Partner under this Section 5.4 will be made by quitclaim transfer, without representation or warranty of any kind by the Investor Limited Partner or the Special Limited Partner except that the Investor Limited Partner and the

Special Limited Partner will represent that such Partner has not previously transferred its Interest and such Partner's Interest is free of liens or encumbrances other than those contemplated by the Partnership's Mortgage Loans and/or by this Agreement. The Investor Limited Partner and the Special Limited Partner agree that the Partnership and the General Partners will have no liability for any Adverse Consequences to the Investor Limited Partner or the Special Limited Partner as a result of the exercise of the Put Option, including, but not limited to, recapture or lost Federal Low Income Tax Credits.

ARTICLE VI

RIGHTS, POWERS AND DUTIES OF THE GENERAL PARTNERS

Section 6.1 Restrictions on Authority

A. Notwithstanding any other provisions of this Agreement, the General Partners shall have no authority to perform any act in respect of the Partnership or the Project in violation of (i) any applicable law or regulation or (ii) any agreement between the Partnership and any Lender or Governmental Agency.

B. The General Partners shall not have any authority to do any of the following acts without the Consent of the Investor Limited Partner and any Requisite Approvals:

(i) to incur indebtedness for money borrowed on the general credit of the Partnership, except as specifically permitted by Article IX, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(ii) following completion of construction of the Improvements, to construct any new capital improvements, or to replace any existing capital improvements if construction or replacement would substantially alter the use of the Property, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(iii) to acquire any real property in addition to the Property (other than easements or similar rights necessary or convenient for the operation of the Project), provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(iv) to cause the Partnership to make any loan or advance to any Person (for purposes of this clause 6.1B(iv), accounts receivable in the ordinary course of business from Persons other than the General Partners or their Affiliates shall not be deemed to be advances or loans), provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(v) to amend, modify, or waive any term of the Mortgage Loan Documents, except non-material modifications of the Mortgage Loan Documents or other modifications that will not have an adverse effect on the General Partners' or the Partnership's ability to perform its obligations hereunder and under the Mortgage Loan

Documents, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(vi) to lease any Low Income Unit to other than Qualified Tenants or otherwise operate the Project in such a manner or take any action which could cause any Low Income Unit to fail to be treated as a qualified low-income housing unit under Section 42(i)(3) of the Code or which would cause the recapture by the Partnership of any low-income housing credit under Section 42 of the Code, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(vii) after the Investment Closing, to enter into any material Project Document or to amend any Project Document, or to permit any party thereunder to waive any provision thereof, to the extent that the effect of such amendment or waiver would be to eliminate, diminish or defer any obligation or undertaking of the Partnership, the General Partners or their Affiliates which accrues, directly or indirectly, to the benefit of, or provides additional security or protection to, the Investor Limited Partner (notwithstanding that the Investor Limited Partner is neither a party to nor express beneficiary of such provision or was not a Partner when such provision became effective), provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(viii) to obtain, increase, refinance or materially modify any Mortgage Loan after Investment Closing or to sell or convey the Property or any substantial portion thereof, except as provided in Article IX, and except that the General Partners may cause the Partnership to grant easements and similar rights affecting the Land to obtain utility services for the Project or for other purposes necessary or convenient for the operation of the Project, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(ix) to cause the Partnership to commence a proceeding seeking any decree, relief, order or appointment in respect to the Partnership under the federal bankruptcy laws, as now or hereafter constituted, or under any other federal or state bankruptcy, insolvency or similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) for the Partnership or for any substantial part of the Partnership's business or property, or to cause the Partnership to consent to any such decree, relief, order or appointment initiated by any Person other than the Partnership, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(x) to cause the Partnership to accept or receive any grant (unless otherwise expressly contemplated under the terms of this Agreement), provided, however, that Investor Limited Partner's consent to the receipt of grant proceeds shall not be unreasonably withheld, conditioned or delayed;

(xi) to pledge or assign any of the Capital Contribution of the Investor Limited Partner or the proceeds thereof, except as may be required in connection with the

Mortgage Loans, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(xii) to amend any of the Related Agreements provided, however, that Investor Limited Partner's consent to the amendment any of the Related Agreements shall not be unreasonably withheld, conditioned or delayed, or

(xiii) to permit the merger, termination or dissolution of the Partnership, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(xiv) to dismiss the Accountants or to engage a new firm as Accountants provided, however, that Investor Limited Partner's consent to engage a new firm as Accountants shall not be unreasonably withheld, conditioned or delayed, or

(xv) to approve any changes to the Plans and Specifications for the Project which would result, either individually in an overall development cost increase or decrease of \$100,000 or in the aggregate, in an overall development cost increase or decrease in excess of \$300,000 (*provided, however,* that any Consent of the Investor Member required under this clause (xiv) shall not be unreasonably withheld, conditioned or delayed), or

(xvi) to take any action which would cause the Property or any part thereof to be treated as tax exempt use property within the meaning of Section 168(h) of the Code, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion, or

(xvii) to take any action outside of the ordinary course of business of the Partnership, provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion.

C. The General Partners shall not (a) cause the Partnership to utilize Cash Flow to acquire interests in other Entities or (b) cause the Partnership to invest the proceeds of any sale or refinancing of the Project without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion.

D. Any Partner may engage independently or with others in other business ventures of every nature and description including, without limitation, the ownership, operation, management, and development of real estate, regardless of whether such real estate directly competes with the Project, and neither the Partnership nor any Partner shall have any rights by reason of this Agreement in and to such independent ventures.

Section 6.2 Tax Matters Partner

A. The Managing General Partner (as defined in Section 6.3) is hereby designated as the Tax Matters Partner or TMP for the Partnership. Additionally, subject to paragraph G of this Section 6.2, the Tax Matters Partner will be designated as the "Partnership Representative." Upon the Retirement of the Person serving as the TMP (the "Retired TMP"), the Partnership

shall designate a successor TMP in accordance with Treasury Regulation Section 301.6231(a)(7)-1 or any successor Regulation, but such designee shall not become the TMP until the designation of such Person has been approved by Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion. Such successor TMP shall notify the Service of its designation as such for such year as well as for all prior years for which the Retired TMP served in such capacity.

B. The TMP shall employ experienced tax counsel to represent the Partnership in connection with any audit or investigation of the Partnership by the Service, and in connection with all subsequent administrative and judicial proceedings arising out of such audit. The fees and expenses of such counsel shall be a Partnership expense and shall be paid by the Partnership. Such counsel shall be responsible for representing the Partnership; it shall be the responsibility of the General Partners and of the Investor Limited Partner, at their own expense, to employ tax counsel to represent their respective separate interests.

C. The TMP shall keep the Partners informed of all administrative and judicial proceedings at the Partnership level, as required by Section 6223(g) of the Code, and shall furnish to each Partner who so requests in writing, a copy of each notice or other communication received by the TMP from the Service (except such notices or communications as are sent directly to such requesting Partner by the Service). All reasonable third party costs and expenses incurred by the TMP in serving as the TMP shall be Partnership expenses and shall be paid by the Partnership.

D. The TMP shall have no authority, without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, (and the Consent of the Administrative General Partner with respect to matters materially affecting the Administrative General Partner's interests), to (i) enter into a settlement agreement with the Service which purports to bind Partners other than the TMP, (ii) file a petition as contemplated in Section 6226(a) or 6228 of the Code, (iii) intervene in any action as contemplated in Section 6226(b) of the Code, (iv) file any request contemplated in Section 6227(b) of the Code, (v) enter into an agreement extending the period of limitations as contemplated in Section 6229(b)(1)(B) of the Code or (vi) take any other substantial action which would affect the Investor Limited Partner.

E. The relationship of the TMP to the Investor Limited Partner is that of a fiduciary, and the TMP hereby acknowledges its fiduciary obligation to perform its duties in such manner as will serve the best interests of the Partnership and the Investor Limited Partner.

F. The Partnership shall indemnify the TMP (including the officers and directors of a corporate TMP) against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the TMP in any civil, criminal or investigative proceeding in which the TMP is involved or threatened to be involved by reason of being the TMP, *provided that* the TMP acted in good faith, within what it reasonably believed to be in the best interests of the Partnership or its Partners. The TMP shall not be indemnified under this provision against any liability to the Partnership or its Partners to any greater extent than the indemnification allowed by Section 6.6 of this Agreement. The indemnification provided by this

subparagraph shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any applicable statute, agreement, vote of the Partners, or otherwise.

G. Unless otherwise elected by the Investor Limited Partner, the TMP as designated above will serve as the “Partnership Representative” as defined in the Bipartisan Budget Act of 2015, Pub L. No. 114-74 (the “Budget Act”) so long as it qualifies as partnership representative under the Budget Act or until it is removed pursuant to the provisions of Section 7.7 or Retires. While acting in such capacity, the TMP or Partnership Representative shall have all the powers and authority of a partnership representative under the Budget Act, shall represent the Partnership at the Partnership’s expense, and may expend Partnership funds for professional services and costs associated therewith; provided that, to the extent permitted by any applicable Treasury Regulations, notices, or other rules and regulations issued by the IRS, may not take any action described in this Section 6.2 without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner’s sole and absolute discretion, (and the Consent of the Administrative General Partner with respect to matters materially affecting the Administrative General Partner’s interests). The partnership representative shall provide to all the Partners prompt notice of any communication to or from, or agreements with, any federal, state, or local tax authority regarding any Partnership tax return or other Partnership tax matter, including a summary of the provisions thereof. The Investor Limited Partner may elect, at any time and in its sole discretion, to designate itself or another person to be the Partnership Representative (so long as the Person designated meets the requirements of a partnership representative under the Budget Act), in which event the Managing General Partner must take all appropriate steps to implement such designation. The Managing General Partner agrees, in the event it is not the Partnership Representative, to cooperate fully with the Partnership Representative in the conduct of any audit or tax contest. Notwithstanding the designation of Partnership Representative: (i) the Managing General Partner will make an available election under Code Sections 6221(b) or 6226 (as in effect after the effect date of the Budget Act) if and only if requested to do so by the Investor Limited Partner, and (ii) the Managing General Partner has no authority to make any other elections available under the Budget Act or Treasury Regulations promulgated thereunder without the prior written Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner’s sole and absolute discretion.

H. Unless otherwise directed in writing to do so by the Investor Limited Partner, the Partnership shall not elect to have the provisions of the Budget Act apply to the Partnership before its effective date. After the effective date and following the promulgation of Treasury Regulations implementing the Budget Act, the Partners agree to work together in good faith to amend this Section 6.2 to comply with such Treasury Regulations or other guidance issued under the Budget Act.

Section 6.3 Business Management and Control; Designation of Managing General Partner; Certain Rights of the Special Limited Partner

A. The General Partners shall have the exclusive right to manage the business of the Partnership in accordance with this Agreement. No Limited Partner shall have any authority or right to act for or bind the Partnership.

B. The powers and duties of the General Partners hereunder may be exercised in the first instance by the Managing General Partner. The Managing General Partner is hereby authorized to execute and deliver in the name and on behalf of the Partnership all such documents and papers (including any required by any Lender or Governmental Agency) as such Managing General Partner deems necessary or desirable in carrying out such duties hereunder. Managing General Partner is hereby designated as the initial Managing General Partner; if such Person shall become unable to serve in such capacity or shall cease to be a General Partner, the remaining General Partners may from time to time designate from among themselves by consent one or more substitute or additional Managing General Partners. If for any reason no designation is in effect, the powers of the Managing General Partners shall be exercised by the majority consent of the remaining General Partners. A designation of a successor as Managing General Partner or the designation of an additional Managing General Partner pursuant to Section 7.3 or 7.5 shall supersede any designation or other exercise of rights pursuant to this Section 6.3B. So long as the Managing General Partner designation is in effect, then (i) except with respect to matters specifically stated herein to be the responsibility of the Administrative General Partner, the Administrative General Partner shall not otherwise have any authority (or obligation in the first instance) to carry out the powers and duties of the General Partner under this Agreement without the consent of the Managing General Partner; provided that, any failure or default by the Managing General Partner to carry out its obligations under this Agreement shall not be deemed to be a default by the Administrative General Partner unless the Administrative General Partner is first provided a reasonable opportunity to cure the Managing General Partner's default; and (ii) in the event that this Agreement provides for an action that requires the vote of both the Managing General Partner and the Administrative General Partner to effect such action (a “**Major Decision**”), the Managing General Partner and Administrative General Partner shall each vote on such matter. Either of the Managing General Partner or Administrative General Partner that is requesting a vote on a Major Decision shall give the other written notice of any Major Decision and the other Partner shall provide its approval or disapproval of the Major Decision within fourteen (14) days after receipt of such notice unless an emergency event shall have occurred in which event the applicable Partner shall provide such notice as is reasonable under the circumstances. In the event that the Managing General Partner and the Administrative General Partner disagree with respect to a Major Decision, the decision of the Managing General Partner shall control; provided, however, that the Managing General Partner may not institute any Major Decision that would have a material adverse impact on the economic interest of the Administrative General Partner without the consent of the Administrative General Partner.

Notwithstanding the foregoing paragraph, the Administrative General Partner shall materially participate in the development and operations of the Project as required by the rules and regulations of the Credit Agency pertaining to project participation by a historically underutilized business; *provided, that*, the Administrative General Partner shall only take action with respect to matters that have been agreed to by both the Managing General Partner and the Administrative General Partner.

C. In the event that (i) the Partnership is in material default of any of its obligations under the Project Documents, (ii) any General Partner, Developer or Guarantor is in default in any material respect under any of its obligations under this Agreement or any of the Related Agreements, (iii) a Recapture Event shall have occurred, (iv) a sole General Partner shall Retire, (v) an Event of Bankruptcy shall have occurred as to a General Partner, the Developer or any

Guarantor or (vi) a General Partner or an Affiliate of a General Partner shall have committed fraud or breach of fiduciary duty, the Special Limited Partner may, at its election, give notice of such default or event to the then General Partners, if any, and, (a) in the case of a default, if such default is not cured within ten (10) business days (or cured within a reasonable time (not to exceed thirty (30) days) in the event it is impossible to cure such default within such ten (10)-day period, *provided that* the General Partners are diligently and in good faith seeking to cure such default and there has been no assignment of or institution of proceedings to foreclose any Mortgage), or (b) in the event of such Retirement, Recapture Event, Event of Bankruptcy, fraudulent act or fiduciary breach, promptly after the occurrence of such event, the Special Limited Partner or any Entity of which a majority of the stock or beneficial interest is owned, directly or indirectly, by the Special Limited Partner or Bank of America, N.A., may, with the Consent of the Investor Limited Partner, elect to become an additional General Partner with all the rights and privileges of a General Partner. The Special Limited Partner shall provide the General Partners with true and correct copies of the written instruments evidencing such Consent of the Investor Limited Partner within ten (10) days after the Special Limited Partner's receipt thereof. Upon such election by the Special Limited Partner or such Entity and such Consent, the Special Limited Partner or such Entity shall automatically become and shall be deemed a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing. If the Special Limited Partner or such Entity shall become an additional General Partner as herein stated, its Interest shall not be increased thereby (except that the Special Limited Partner may assign its Interest to such Entity). In the event of the admission of the Special Limited Partner or such Entity as a General Partner pursuant to this Section 6.3, and if there are then any other General Partners, the Special Limited Partner or such Entity shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners or the Managing General Partner, as the case may be, and the rights and authority of the remaining General Partners or the Managing General Partner, as the case may be, shall be deemed equally divided among them.

Section 6.4 Duties and Obligations of the General Partners

A. The General Partners shall use their reasonable best efforts to carry out the purposes, business and objectives of the Partnership, and shall devote to Partnership business such time and effort as may be reasonably necessary to (i) supervise the activities of the Management Agent, (ii) make inspections of the Project to determine if the Project is being properly maintained and that necessary repairs are being made thereto, (iii) prepare or cause to be prepared all reports of operations which are to be furnished to the Partners or to any Lender or Governmental Agency, (iv) with the Consent of the Investor Limited Partner, elect to defer the commencement of the Credit Period for all or any portion of the low-income housing tax credit allowable to the Partners under Section 42(g) of the Code, to the extent that any such deferral may be in the best economic interest of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, (v) cause the Project to be insured in accordance with the requirements set forth in **Exhibit C**, and (vi) cause the Partnership and the Project to comply in all material respects with each of the representations and covenants of the applicant set forth in the Tax Credit Application.

B. Subject to the Project Documents and the requirements of Section 42 of the Code, the General Partners shall use reasonable efforts consistent with sound management practice to maximize income produced by the Project, including, if necessary, seeking any necessary approvals of, and implementing, appropriate adjustments in the rent schedule of the Project.

C. The General Partners shall timely execute and record in the appropriate filing office an Extended Use Agreement. The General Partners shall hold for occupancy such percentage of the apartments in the Project in such a manner as to qualify the entire Project as a qualified low income housing project under Section 42(g) of the Code as interpreted from time to time in regulations and rulings promulgated thereunder. The General Partners shall not take any action which would cause the termination or discontinuance of the qualification of the Project as a “qualified low income housing project” under Section 42(g) of the Code or which would cause the recapture of any Tax Credits without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner’s sole and absolute discretion.

D. The General Partners shall prepare and submit to the Secretary of the Treasury (or any other Governmental Agency designated for such purpose), on a timely basis, any and all annual reports, information returns and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for Tax Credits to the extent contemplated under this Agreement and (ii) unless the Consent of the Investor Limited Partner is received to act otherwise in a particular instance, which consent shall be granted in the Investor Limited Partner’s sole and absolute discretion, to avoid recapture of Tax Credits for failure to comply with the requirements of Section 42 of the Code or other applicable law.

E. Except as provided in or contemplated by the Project Documents in existence at Investment Closing, the General Partners agree that neither they nor any Related Person will at any time bear the Economic Risk of Loss for payment or performance of any Mortgage Loan. Each General Partner agrees that it will not cause any Limited Partner at any time to bear the Economic Risk of Loss for payment or performance under any Note or Mortgage. Each Limited Partner agrees not to take any action which would cause it to bear the Economic Risk of Loss for payment of any Mortgage Loan.

F. The General Partners shall have fiduciary responsibility for the safekeeping and use of all funds and assets of the Partnership, whether or not in their immediate possession or control. The General Partners shall not employ, or permit another to employ, such funds or assets in any manner except for the exclusive benefit of the Partnership.

G. No General Partner shall contract away the fiduciary duty owed at common law to the Limited Partners.

H. The General Partners shall be solely responsible for the following:

- (1) analyzing the Qualified Allocation Plan (“QAP”) for targeted areas within a state;
- (2) analyzing a site’s economy and forecasting future growth potential;

- (3) determining the site's zoning status and possible rezoning strategies;
- (4) contacting local government officials concerning access to utilities, public transportation and local ordinances;
- (5) performing environmental tests;
- (6) negotiating the purchase of the Land and the financing therefor;
- (7) causing the Partnership to acquire the Land;
- (8) processing necessary documentation with the Credit Agency in connection with the Tax Credits;
- (9) arranging the permanent mortgage financing for the Project; and
- (10) arranging for the admission to the Partnership of the Investor Limited Partner and the Special Limited Partner.

In consideration for its services set forth in this Section 6.4H, the General Partners have received their interests in the profits of the Partnership as set forth in Section 10.3. The General Partners shall not assign any of these duties to the Developer.

I. The General Partners shall (i) not store (except in compliance with applicable Hazardous Waste Laws) or dispose of any Hazardous Material at the Project; (ii) neither directly nor indirectly transport or arrange for the transport of any Hazardous Material to, at or from the Project (except in compliance with applicable Hazardous Waste Laws); (iii) provide the Limited Partners with written notice (x) upon any General Partner's obtaining knowledge of any potential or known release, or threat of release, of any Hazardous Material at or from the Project; (y) upon any General Partner's receipt of any notice to such effect from any federal, state, or other Governmental Agency and (z) upon any General Partner's obtaining knowledge of any incurrence of any expense or loss by any such Governmental Agency in connection with the assessment, containment, or removal of any Hazardous Material for which expense or loss any General Partner may be liable or for which expense or loss a lien may be imposed on the Project.

J. Reserved.

K. Reserved.

L. In the event that the Investor Limited Partner shall give notice to the General Partners that in the reasonable judgment of the Investor Limited Partner depreciation deductions will no longer be allocated to the Investor Limited Partner as a result of the treatment of the Development Amount and accrued interest thereon or any other Partnership indebtedness as a recourse obligation ("Related Party Financing"), then the General Partners shall take all such action as may be necessary to assure that any outstanding balance of such Related Party Financing shall constitute a Partnership Nonrecourse Liability and the Investor Limited Partner shall give its Consent to allow the General Partners to take all necessary action, which consent shall not be unreasonably withheld, conditioned or delayed, provided such action does not have

any negative tax consequences for the Partnership or the Investor Limited Partner. One such action may be the assignment of the outstanding balance of such Related Party Financing to an Entity which is not a Related Person.

M. The General Partners shall cause all leases of Units in the Project to contain a provision obligating tenants to notify the Management Agent or Property Manager immediately of any suspected water leaks, moisture problems or mold in Units or common areas of the Project. In addition, the General Partners shall furnish such reports and implement such actions, if any, required under the provisions of Section 12.1F.

N. Reserved.

O. At the sole cost and expense of the Partnership, the General Partner shall cause the Project to be insured in accordance the requirements set forth below and in **Exhibit C** and shall cause the Partnership to obtain and maintain such other coverage as may be required from time to time by any Lender under the Mortgage Loan Documents or as may be reasonably required from time to time by the Limited Partners in order to comply with regular requirements and practices of the Limited Partners in similar transactions including, without limitation if and to the extent required by the Limited Partners, wind insurance and earthquake insurance, so long as any such insurance is generally available at commercially reasonable premiums as determined by the Limited Partners from time to time. Such policies shall include, at a minimum, the following:

(i) Insurance against casualty to the Property under a policy or policies covering such risks as are presently included in “special form” (also known as “all risk”) coverage, including such risks as are ordinarily insured against by similar businesses, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke, vandalism, malicious mischief and acts of terrorism. Such insurance will list “*Bank of America, N.A., a national banking association, as Investor Limited Partner, Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as Special Limited Partner, and each of their successors and assigns, as their interests may appear*” as additional insured’s and loss payees. Unless otherwise agreed in writing by Limited Partner, such insurance will be for the full insurable value of the Property, with a deductible amount, if any, in accordance with the standards set forth on **Exhibit C** and satisfactory to the Investor Limited Partner. No policy of insurance will be written such that the proceeds thereof will produce less than the minimum coverage required hereunder by reason of co-insurance provisions or otherwise. The term “full insurable value” means 100% of the actual replacement cost of the Property (excluding foundation and excavation costs and costs of underground flues, pipes, drains and other uninsurable items). Such insurance will also include:

(a) personal property coverage for building and contents owned by the Partnership, all subject to a maximum \$10,000 deductible amount;

(b) rent loss insurance in an amount equal to annual rental income; and

(c) boiler and machinery insurance on a comprehensive form basis, including repair and replacement coverage and rent loss coverage meeting the requirements of subparagraph (b) above with mechanical breakdown extension, provided that such boiler and machinery insurance is not necessary if the Project does not contain a boiler or other machinery which is covered by such insurance, or the perils which are insured by such boiler and machinery insurance are covered by other insurance maintained by the Partnership and such coverage is demonstrated to Limited Partner's reasonable satisfaction.

(ii) Comprehensive (also known as commercial) general liability insurance on an "occurrence" basis against claims for "personal injury" liability and liability for death, bodily injury and damage to property, products and completed operations, in limits satisfactory to Lender with respect to any one occurrence and the aggregate of all occurrences during any given annual policy period, with a minimum combined single limit of \$5,000,000. Such insurance will list "*Bank of America, N.A., a national banking association, as Investor Limited Partner, Banc of America CDC Special Holding Company, Inc., a North Carolina corporation, as Special Limited Partner, and each of their successors and assigns, as their interests may appear*" as additional insured's and loss payees.

(iii) During any period of construction upon the Property, the General Partner will cause the Partnership to maintain, or cause others to maintain, builder's risk insurance (non-reporting form) of the type customarily carried in the case of similar construction for 100% of the full replacement cost of work in place and materials stored at or upon the Property.

(iv) If at any time any portion of any structure on the Property is insurable against casualty by flood and is located in a Special Flood Hazard Area under the Flood Disaster Protection Act of 1973, as amended, a flood insurance policy in form and amount acceptable to Limited Partner but in no amount less than the amount sufficient to meet the requirements of applicable Law as such requirements may from time to time be in effect.

(v) Loss of rental value insurance or business interruption insurance in an amount acceptable to Limited Partner, for a minimum 12 month period, or until the Units have been brought back to their original state, plus an extended period of indemnity for at least three (3) additional months to re-lease the repaired Units.

(vi) In addition to the foregoing, the General Partner will cause the Builder to provide and maintain comprehensive (commercial) general liability insurance and workers' compensation insurance for all employees of the Builder meeting, respectively, the requirements hereunder.

Each policy of insurance (i) must be issued by one or more insurance companies each of which must have an A.M. Best's Company financial and performance rating of A-IX or better and be qualified or authorized by the Laws of the State to assume the risks covered by such policy, (ii) must provide that such policy will not be canceled or modified without at least 30 days prior

written notice to Investor Limited Partner, and (iii) will provide that any loss otherwise payable thereunder will be payable notwithstanding any act or negligence of the Partnership or the General Partner which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment. The General Partner may satisfy any insurance requirement hereunder by providing one or more “blanket” insurance policies, subject to the Investor Limited Partner’s approval in each instance as to limits, coverages, forms, deductibles, inception and expiration dates, and cancellation provisions.

P. The General Partner shall review regularly all of the insurance coverages to insure that all such policies are in effect and in compliance with the terms of this Agreement and the Mortgage Loan Documents. The General Partner will cause the Partnership to promptly pay all premiums when due on such insurance and, the General Partner will deliver to the Investor Limited Partner acceptable evidence of insurance, such as a renewal policy or policies marked “premium paid” or other evidence satisfactory to the Investor Limited Partner reflecting that all required insurance is current and in force. The General Partner will immediately give written notice to the Investor Limited Partner of any cancellation of, or change in, any insurance policy. From time to time following the Admission Date, the General Partner shall deliver to the Special Limited Partner such further certificates or memoranda of insurance as the Special Limited Partner may reasonably require to confirm that such insurance and notice provisions with respect to insurance under this Agreement have been complied with. The Investor Limited Partner will not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (i) the existence, nonexistence, form or legal sufficiency thereof, (ii) the solvency of any insurer, or (iii) the payment of losses.

Q. The General Partner shall have the following duties and obligations with respect to a casualty or condemnation affecting all or a portion of the Project:

(i) In the event of any fire or other casualty to the Project (or any portion thereof) or any eminent domain or similar proceedings resulting in any condemnation or taking of the Project (or any portion thereof), the General Partner will promptly give the Investor Limited Partner written notice thereof. To the extent Net Proceeds are available for rebuilding or restoration (net of expenses reasonably incurred in obtaining such proceeds and subject to the rights and any applicable approval of the Lenders), the General Partner will rebuild or restore the Project, as the case may be, in such a manner as will as fully as possible implement the Initial Economic Projections or the Revised Economic Projections, if applicable. Any Net Proceeds that are not fully expended in such rebuilding or restoring will constitute Capital Transaction proceeds. In connection with any such rebuilding or restoring, the General Partner will seek legal, tax, and accounting counsel and take all necessary or advisable steps to preserve as fully as possible the Initial Economic Projections or the Revised Economic Projections, if applicable.

(ii) Notwithstanding the provisions of subparagraph (i) above, if it is impossible or unlikely that rebuilding or restoring the Project (or the affected portion thereof) can be accomplished with the Insurance Proceeds or Condemnation Awards available therefor, or if the projected tax benefits to the Investor Limited Partner from rebuilding or restoring the Project would be substantially equivalent to or less than the tax

benefits to Investor Limited Partner without rebuilding or restoring the Project, then, subject to the provisions of subparagraph (iii) below, the General Partner will refrain from rebuilding or restoring the Project and proceed to utilize any Net Proceeds as proceeds of a Capital Transaction.

(iii) The Investor Limited Partner, by written notice to the General Partner, may elect to cause the Partnership to rebuild or restore the Project (or the affected portion thereof) under the circumstances described in subparagraph (ii) if the reason that subparagraph (ii) is applicable is because it is impossible or unlikely that rebuilding of the Project can be accomplished with the amount of the Insurance Proceeds or Condemnation Proceeds available therefor provided and on the condition that the Investor Limited Partner agrees to provide such additional amounts as the Investor Limited Partner may deem necessary to cover such deficit. In such event, the General Partner will rebuild or restore the Project as provided in subparagraph (i) above to the extent feasible given the amount of funds available for such rebuilding or restoring. Any funds provided by the Investor Limited Partner under this subparagraph (iii) will be deemed to be additional Capital Contributions to the Partnership by the Investor Limited Partner which will have a priority return as set forth in Sections 10.1A and 10.1B.

(iv) In the event of any casualty or taking of the Project or any portion thereof, except under circumstances in which portions of the Project are unaffected by the casualty or condemnation or are rebuilt or restored as contemplated under this Section 6.4Q, the General Partner will, unless the Investor Limited Partner consents in writing to an alternative proposal, proceed to terminate and liquidate the Partnership, sell Partnership assets, repay indebtedness, and distribute proceeds of Capital Transactions to the Partners as provided in Section 10.2. In the event of a rebuilding or restoration, the General Partner will have no obligation to enter into construction or rehabilitation contracts at a price exceeding the amount of the Net Proceeds available for rebuilding or restoring.

(v) Nothing contained in this Section 6.4Q will be construed to affect the General Partner's liability for any failure to provide insurance to the full extent required under this Agreement. Notwithstanding the provisions of this Section 6.4Q, the General Partner and Guarantor shall be responsible for the costs of rebuilding or restoring the Project as a result of any uninsured casualty. For purposes of this Section 6.4Q(v), any casualty loss which is uninsured because the General Partner requested and the Investor Limited Partner approved a waiver from the insurance requirements set forth in this Agreement, shall be deemed to be an uninsured casualty for which the General Partner and Guarantor bear sole responsibility.

(vi) The provisions of this Section 6.4Q are subject to any requirements of the Lender set forth in the Mortgage Loan Documents; provided that, the General Partner acknowledges that the Investor Limited Partner will not be obligated to approve any Mortgage Loan Document which restricts the use of Insurance Proceeds and Condemnation Awards regarding restoration and reconstruction of the Project in a manner which is inconsistent with the provisions of this Section 6.4Q.

R. The General Partner will make the election under Section 168(k)(2)(D)(iii) of the Code to elect out of “bonus depreciation” for any personal property and site work costs which are placed in service in 2018.

Section 6.5 Representations, Warranties and Covenants

A. The Managing General Partner, on behalf of itself, its Affiliates, and the Partnership, and the Administrative General Partner, solely with respect to matters specific to itself and its Affiliates, hereby represent and warrant to the Investor Limited Partner that the following are true as of Investment Closing, will be true on the due date for payment of each Installment and at all times hereafter:

(i) The Partnership is a duly organized limited partnership validly existing under the laws of the State and has complied with all recording requirements with each proper Governmental Agency necessary to establish the limited liability of the Limited Partners as provided herein.

(ii) No litigation or proceeding against the Partnership, any General Partner, Guarantor, the Builder or the Developer, nor any other litigation or proceeding directly affecting the Project, is pending before any court, administrative agency or other Governmental Agency which would, if adversely determined, have a material adverse effect on the Partnership, any General Partner, Guarantor, the Builder, the Developer or their respective businesses or operations, except for such matters as to which the likelihood of such a determination adverse to the Partnership is, in the opinion of Partnership Counsel or other counsel acceptable to the Investor Limited Partner, remote.

(iii) No default by any General Partner, any Affiliate thereof having any relationship with the Project, or the Partnership, in any material respect has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any of the Project Documents.

(iv) The Project Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms).

(v) All accounts and reserves are fully funded to the extent currently required by the Project Documents and this Agreement.

(vi) Except for the Construction Loan and carve-outs in the Mortgage Loan Documents related to situations involving fraud or willful misrepresentation, the failure to pay taxes, the misappropriation of funds, and similar commercially reasonable exceptions that are standard in transactions of this type, no Partner, nor any related person, bears any Economic Risk of Loss with respect to any of the Mortgage Loans or, with the exception of any deferred Development Amount, any other indebtedness incurred by the Partnership.

(vii) All building, zoning and other applicable certificates, permits, approvals and licenses necessary to permit the construction, rehabilitation, repair, use, occupancy

and operation of the Project have been obtained (other than prior to completion of the Project or a specified portion thereof, such as will be issued only after the completion of the Project or such specified portion thereof) and neither the Partnership nor any General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any Governmental Agency having jurisdiction which would have a material adverse effect on the Project or the construction, use or occupancy thereof, except for violations which have been cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction.

(viii) The Partnership owns the fee simple interest in the Property and has good and indefeasible title thereto, free and clear of any liens, charges or encumbrances other than the Mortgages, matters set forth in the Title Policy delivered at Investment Closing, encumbrances the Partnership is permitted to create under Sections 2.4 and 6.1, the Extended Use Agreement (once in effect), and mechanics' or other liens which have been bonded or insured against in such a manner as to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Partnership for payment of any debt secured thereby. None of the liens, charges, encumbrances or exceptions set forth in the Title Policy delivered at Investment Closing has or will have a material adverse effect upon the construction or operation of the Project.

(ix) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Property by any General Partner or an Affiliate thereof which is an Entity have been or will be duly authorized by all necessary action, and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the organizational documents of any such Entity or any agreement by which any such Entity or any of its properties is bound, nor constitute a violation of any law, administrative regulation or court decree. Each such Entity is duly organized and validly existing under the law of the state of its organization.

(x) No General Partner is in default in any material respect in the observance or performance of any provision of this Agreement to be observed or performed by such General Partner.

(xi) The Related Agreements are in full force and effect and no default by any party thereto (other than the Investor Limited Partner or its Affiliates) has occurred or is continuing thereunder (nor has there occurred any event which, with the giving of notice or the passage of time, or both, would constitute such a default in any material respect thereunder).

(xii) No Event of Bankruptcy has occurred and is continuing with respect to the Partnership, any General Partner, any Guarantor or the Developer.

(xiii) The Project will qualify for Federal Low Income Tax Credits and will qualify, on and after the Completion Date, as a "qualified low-income housing project"

under Section 42(g) of the Code and all Low Income Units in the Project will qualify as “low income units” under Section 42(i)(3) of the Code.

(xiv) The Project will be operated so that it will meet (and an appropriate election has been or will be made with respect to) the “40-60” set-aside test set forth in Section 42(g)(1)(B) of the Code (the “**Minimum Set-Aside Test**”) as of the dates established by Section 42(g)(3) of the Code and at all times thereafter through the end of the Compliance Period. The Partnership will elect to treat all of the Buildings comprising the Project as a single project for purposes of satisfying the Minimum Set-Aside Test.

(xv) All tax returns, financial statements, Schedules K-1 and reports due under Section 12 and **Exhibit K** have been properly filed and/or transmitted, as applicable.

(xvi) No General Partner, Affiliate of a General Partner, or Person for whose conduct any General Partner is or was responsible has ever: (i) directly or indirectly transported, or arranged for transport, of any Hazardous Material to, at or from the Project (except if such transport was or is at all times in compliance with applicable Hazardous Waste Laws); (ii) caused or was legally responsible for any release or threat of release of any Hazardous Material at the Project; (iii) received notification from any federal, state or other Governmental Agency of (x) any potential, known, or threat of release of any Hazardous Material from the Project; or (y) the incurrence of any expense or loss by any such Governmental Agency or by any other Person in connection with the assessment, containment, or removal of any release or threat of release of any Hazardous Material from the Project.

(xvii) To the best of the General Partners’ knowledge, no Hazardous Material was ever or is now stored on, transported or disposed of on the Land (except to the extent any such storage, transport or disposition was at all times in compliance with all Hazardous Waste Laws).

(xviii) No General Partner, Affiliate of a General Partner, officer of a General Partner or manager of a General Partner has ever (i) been convicted of a crime; (ii) had a judgment entered against them for fraud, willful misconduct or breach of fiduciary duty; or (iii) been sanctioned by HUD, the Securities and Exchange Commission or any other government agency.

(xix) There are currently no criminal or civil actions or administrative proceedings pending against the General Partners or their Affiliates, officers or managers.

(xx) The Adjusted Aggregate Federal Low Income Tax Credit Amount shall be at least \$14,998,500, as may be adjusted pursuant to Section 5.2.

(xxi) Each of the representations and disclosures made by the Partnership to the Credit Agency in the Tax Credit Application upon which the Credit Agency’s Credit Reservation was based, is true and correct as of the date hereof. Each of the covenants, agreements, and conditions contained in the Tax Credit Application and the Credit Reservation have been duly performed or satisfied by the Partnership or the General Partner, as applicable, to the extent that performance of any such covenant or agreement

or satisfaction of any conditions is required on or prior to the date hereof, and the General Partner has no reason to believe that the covenants, agreements, and conditions required to be performed or satisfied after the date hereof will not be performed or satisfied in a timely manner.

(xxii) The Partnership's basis in the Project as of the earlier of December 31, 2017 or the date required by the Credit Agency will be greater than 10% of the Partnership's reasonably expected basis in the Project as of December 31, 2018 and each Building will be placed in service no later than December 31, 2018.

(xxiii) No employees shall be engaged by the Partnership.

(xxiv) The fees payable by the Partnership to the General Partner or its Affiliates, as set forth herein or the other Project Documents, are reasonable in amount and ordinary and customary in nature for the services to be provided, reflect the value of the services to which the fees relate, and are consistent with those paid in other similar projects of which the General Partner and its Affiliates have knowledge. Such fees have been or will be disclosed to the Credit Agency for the purpose of the determination by the Credit Agency of the financial feasibility and viability of the Property pursuant to Section 42(m)(2) of the Code.

(xxv) None of the Mortgage Loans are subject to covenants requiring maintenance of specified debt service coverage or loan-to-value ratios.

(xxvi) None of the General Partners nor any of their controlling principals are on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of Treasury.

(xxvii) No Disqualifying Event has occurred and is continuing.

(xxviii) The General Partners shall cause the Partnership to:

(a) maintain its books and records separate from those of any other Person or Entity, including the General Partners or any Affiliates of the Partnership;

(b) except as specifically permitted by the Project Documents, not commingle assets with those of any other Entity, including its General Partners or any Affiliates of the Partnership;

(c) conduct its own business in its own name or the name of the Project so as not to mislead others as to the identity of such Entity;

(d) maintain separate financial statements from any other Person or Entity, including the General Partners or any Affiliates of the Partnership;

(e) except as specifically permitted by the Project Documents or this Agreement, pay its own liabilities out of its own funds;

(f) observe all partnership formalities including without limitation holding all meetings and obtaining all consents required by this Agreement;

(g) maintain an arm's-length relationship with its Affiliates;

(h) except as specifically permitted by the Project Documents, not guarantee or become obligated for the debts of any other Entity or hold out its credit as being available to satisfy the obligations of others, including the General Partners or any Affiliates of the Partnership;

(i) allocate fairly and reasonably any overhead for shared office space or other similar expenses;

(j) use invoices and checks separate from any other Person or Entity, including the General Partners or any Affiliates of the Partnership; and

(k) hold itself out as and operate as an Entity separate and apart from any other Entity, including the General Partners or any Affiliates of the Partnership.

(xxix) Reserved.

(xxx) The General Partners represent that the land that is the subject of the Environmental Reports is the same land that is described in Schedule A of the Title Policy.

(xxxi) The General Partner will give prompt notice to the Investor Limited Partner of any casualty or any condemnation or threatened condemnation of the Property. The General Partner will diligently assert the Partnership's rights and remedies with respect to each claim and to promptly pursue the settlement and compromise of each claim subject to the Consent of the Investor Limited Partner, which Consent will not be unreasonably withheld or delayed.

(xxxii) Except with the Consent of the Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed, and subject to the rights of any Lender, Net Proceeds will be utilized for the restoration of the Property. Unless otherwise required by Lender, Net Proceeds pending the restoration of the Property, together with any other funds deposited with the Investor Limited Partner for that purpose, must be deposited in an interest-bearing account approved of by the Investor Limited Partner.

(xxxiii) Neither the General Partner nor the Partnership will do or permit to be done anything that would affect the coverage or indemnities provided for pursuant to the provisions of any insurance policy, performance bond, labor and material payment bond or any other bond given in connection with the construction of the Improvements.

(xxxiv) All of the representations and warranties set forth in the Closing Certificate are true and correct.

Section 6.6 Indemnification

A. Each General Partner (including any Retired General Partner) shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by him or it in connection with the Partnership, *provided that* the same were not the result of such General Partner's (or any of such General Partner's Affiliates') negligence or misconduct and were the result of a course of conduct which such General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this Section 6.6A shall be provided out of and to the extent of Partnership assets only, and no Limited Partner shall have any personal liability on account thereof; *provided, however,* that no indemnification shall be provided for any losses, liabilities or expenses arising from or out of any alleged violation of federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves indemnification of litigation costs; (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves indemnification of litigation costs; or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made.

B. The Partnership shall not incur the cost of that portion of any insurance which insures any party against any liability as to which such party is herein prohibited from being indemnified.

C. The General Partners agree promptly to indemnify, defend and hold harmless the Partnership and the Limited Partners from and against any and all claims, losses, damages, costs, expenses and liabilities which the Partnership and the Limited Partners may incur by reason of any liabilities to which either the Partnership or the Project is subject at the Investment Closing; *provided, however,* that the foregoing indemnification shall not apply to any Mortgage, necessary contractual obligations normally incurred in connection with the Property, or to acts for which such General Partners are entitled to indemnification under Section 6.6A.

D. The General Partners agree to promptly indemnify, defend, and hold harmless the Partnership and the Limited Partners from and against any claims, losses, damages, costs, expenses or liabilities which the Partnership and the Limited Partners may incur on account of the presence or escape of any Hazardous Material at or from the Property (or at any other location). Any such claims, losses, damages, costs, expenses or liabilities may be defended, compromised, settled, or pursued by the Limited Partners with counsel of the Limited Partners' selection, but at the expense of the General Partners. The foregoing indemnification shall be a recourse obligation of the General Partners and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of any General Partner.

E. The General Partners shall defend, indemnify and hold harmless the Partnership and the Limited Partners from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partners' or any Affiliate's gross negligence, willful misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation any breach by any General Partner or any Affiliate of any material representation,

warranty, covenant or agreement made by such General Partner set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach; provided that each General Partner shall be obligated to provide such indemnity only with respect to its own (or its Affiliate's) gross negligence, willful misconduct, fraud, breach of fiduciary duty or material breach of this Agreement and not those of any other General Partner (or its Affiliates). The foregoing indemnification shall be a recourse obligation of the applicable General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of such General Partner.

F. Each Limited Partner shall be indemnified by the Partnership against any third-party claims or costs sustained or incurred by it in connection with its involvement in the Partnership, *provided that* the same were not the result of any improper action or omission on the part of such Limited Partner or any Affiliate thereof.

G. The Managing General Partner shall defend, indemnify and hold harmless the Administrative General Partner from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the Managing General Partner's or any Affiliate's gross negligence, willful misconduct, fraud, breach of fiduciary duty or material breach of this Agreement, including without limitation any breach by the Managing General Partner or any Affiliate of any material representation, warranty, covenant or agreement made by the Managing General Partner set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself from, or lessening the effect of, any such breach.

H. The Administrative General Partner shall defend, indemnify and hold harmless the Managing General Partner from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the Administrative General Partner's or any Affiliate's gross negligence, willful misconduct, fraud, breach of fiduciary duty or material breach of this Agreement, including without limitation any breach by the Administrative General Partner or any Affiliate of any applicable material representation, warranty, covenant or agreement made by the Administrative General Partner set forth in Section 6.5 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself from, or lessening the effect of, any such breach.

Section 6.7 Obligation to Complete Construction and to Pay Development Costs

The General Partner shall (i) complete the construction of the Improvements or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens, and shall equip the Improvements or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Project Documents and the drawings and specifications forming a part of the Construction Contract and (ii) cause the Partnership to satisfy any other requirements necessary to achieve Final Closing in accordance with the Project Documents. If the Designated Proceeds as available from time to time are

insufficient to pay all Development Costs, the Managing General Partner shall advance or cause to be advanced to the Partnership from time to time as needed all such funds as are required to pay such deficiencies. Any such advances (“Development Advances”) shall, to the extent permitted under the Project Documents and any applicable Regulations or requirements of the Lenders and the Agency (or otherwise with any Requisite Approvals), be reimbursed at or prior to the Development Obligation Date (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) only out of Designated Proceeds available from time to time after payment of all Development Costs. Any balance of the amount of each Development Advance not reimbursed through the Development Obligation Date (or, in the case of proceeds of Capital Contributions, through the date on which such Capital Contributions are received by the Partnership) shall be treated as loans (“Completion Loans”) payable solely out of Cash Flow or distributions of proceeds from a Capital Transaction in accordance with Article X.

Section 6.8 Obligation to Provide for Operating Expenses

A. During the period commencing on the Admission Date and ending on the third anniversary of the later to occur of (A) the Development Obligation Date or (B) achievement of an average 115% Debt Service Coverage Ratio for a period of twelve (12) consecutive calendar months commencing after Final Closing, the Managing General Partner agrees that if the Partnership requires funds to discharge Operating Expenses (other than to make payments to Partners, payments of any outstanding Operating Expense Loans or other obligations herein provided to be payable solely out of Cash Flow or distributions of proceeds from a Capital Transaction), the Managing General Partner shall furnish to the Partnership the funds required. Amounts so furnished to fund Operating Expenses incurred prior to the Development Obligation Date shall be deemed Special Capital Contributions. Amounts furnished to fund Operating Expenses incurred on or after the Development Obligation Date shall constitute Operating Expense Loans. Operating Expense Loans shall bear interest at the Applicable Federal Rate and be repayable only as provided in Article X. Notwithstanding the foregoing, however, the General Partners shall not be obligated to make Operating Expense Loans under this Section 6.8A to the extent that the outstanding aggregate principal amount of such Operating Expense Loans would exceed \$458,132. Operating Expense Loans may be funded and subsequently repaid in whole or in part by the Partnership, and the Managing General Partner’s obligation to make additional Operating Expense Loans will be reinstated to the extent that any Operating Expense Loans have been repaid. Notwithstanding anything herein to the contrary, net rental or other miscellaneous income that would otherwise be included in Designated Proceeds can be used for payment of Operating Expenses prior to the Development Obligation Date.

B. Reserved.

Section 6.9 Certain Payments to the General Partners and Affiliates

A. For its services in connection with the development of the Property and the supervision to completion of the construction of the Improvements and as reimbursement for Development Advances, the Developer shall be entitled to receive the amounts set forth in the Development Agreement.

B. In consideration of its services in the day-to-day administration of the business affairs of the Partnership, (i) the Managing General Partner shall receive a Partnership Management Fee in an amount equal to \$7,500 per annum and increasing annually at a rate of 3%, and (ii) the Administrative General Partner shall receive a Partnership Administration Fee in an amount equal to \$7,500 per annum and increasing annually at a rate of 3%. The Partnership Management Fee and the Partnership Administration Fee shall each be payable in accordance with the Partnership Management Agreement and Article X. In addition, the Managing General Partner and Administrative General Partner shall be entitled to payment of an annual Incentive Management Fee equal to 90% of the remaining Cash Flow as shown in the priority set forth in Clause Eleventh of Section 10.1A. Such Incentive Management Fee shall be paid to the Administrative General Partner in an amount equal to 10% of such fee less amounts paid to the Administrative General Partner as the Partnership Administration Fee for the year in question, and the balance thereof paid to the Managing General Partner.

C. All of the Partnership's expenses shall be billed directly to, and paid by, the Partnership to the extent practicable. Subject to the terms of this Agreement, reimbursements to a General Partner or any of its Affiliates by the Partnership shall be allowed subject to the following conditions:

(i) such goods or services must be necessary for the prudent formation, development, organization or operation of the Partnership;

(ii) reimbursement for goods or services provided by Persons who are not affiliated with a General Partner shall not exceed the cost to a General Partners or their Affiliates of obtaining such goods or services; and

(iii) reimbursement for goods and services obtained directly from a General Partner or its Affiliates shall not exceed the amount the Partnership would be required to pay independent parties for comparable goods and services in the same geographic location and shall not include reimbursement for the general overhead of the General Partners or their Affiliates (including salaries and benefits of employees thereof).

D. Neither the General Partners nor any of their Affiliates shall be entitled to any compensation, fees or profits from the Partnership in connection with the acquisition, construction, development or rent-up of the Land or Improvements or for the administration of the Partnership's business or otherwise, except for (i) payments provided for or referred to in Sections 2.4(v) or 6.9, (ii) payments of the Management Fee, the Partnership Management Fee, the Partnership Administration Fee, and the Incentive Management Fee, (iii) fees and distributions under Article X, (iv) such other fees and distributions as may be permitted to be paid by any Lender or the Governmental Agency out of the proceeds of any Mortgage Loan and (v) payments to the Builder under the Construction Contract.

Section 6.10 Joint and Several Obligations

If there is more than one General Partner, all obligations of the General Partners hereunder shall be joint and several obligations of the General Partners, except as herein expressly provided to the contrary including as otherwise set forth in Section 6.3B and with

respect to matters specifically stated in this Agreement to be the obligation of either the Managing General Partner or the Administrative General Partner, as applicable.

Section 6.11 Reserve Accounts

A. The General Partners shall establish a reserve account for capital replacements (the “Replacement Reserve”), which account shall be funded by monthly deposits of \$2,833, which amount equals \$250 per unit per year (or such greater amount as may be required by any Lender or, subject to any Requisite Approvals, such lesser amount as shall be approved in writing by the Special Limited Partner from time to time), commencing on the Conversion Date. Withdrawals from such reserve shall be utilized solely to fund capital repairs and improvements deemed necessary by the General Partners.

B. The General Partners shall cause the Partnership to establish a reserve account for Operating Deficits (the “Operating Reserve”) in the initial amount of \$433,175. The Operating Reserve shall be funded in the first instance from the proceeds of the Third Installment of the Capital Contributions of the Investor Limited Partner; provided, however, that if for any reason such proceeds shall be insufficient to fully fund the Operating Reserve at such time, the Managing General Partner shall promptly fund any such shortfall (or cause the deferral of Developer Fee to cover such shortfall). Any amount so furnished by the Managing General Partner shall constitute a Special Capital Contribution. Funds in the Operating Reserve may be used to pay, to the extent required, Operating Expenses, subject to any Requisite Approvals and the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed, and may be used prior to the Managing General Partner's obligation to provide Operating Expense Loans pursuant to Section 6.8. The Operating Reserve shall be maintained throughout the Compliance Period, except that, upon termination of the obligations to provide Operating Expense Loans under Section 6.8, any Operating Reserve amounts in excess of 50% of the initial reserve amount set forth above shall be released in accordance with Section 10.1A. Upon expiration of the Compliance Period, any funds remaining in the Operating Reserve shall be released in accordance with Section 10.1A.

ARTICLE VII

WITHDRAWAL AND REMOVAL OF A GENERAL PARTNER

Section 7.1 Voluntary Withdrawal

No General Partner shall have the right to withdraw or Retire voluntarily from the Partnership or sell, assign or encumber its Interest without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, and any Requisite Approvals.

Section 7.2 Obligation to Continue

In the event of the Retirement of any General Partner, the remaining General Partners, if any, and any successor General Partner shall have the obligation to continue the business of the Partnership employing its assets and name. Immediately after the occurrence of such Retirement, the remaining General Partners, if any, shall notify the Investor Limited Partner thereof.

Section 7.3 Successor General Partner

A. Upon the occurrence of any Retirement, the remaining General Partners may designate a Person to become a successor General Partner to the Retired General Partner. Any Person so designated, subject to any Requisite Approvals, the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, and, if required by the Uniform Act or any other applicable law, the consent of any other Partner so required, shall become a successor General Partner.

B. If any Retirement shall occur at a time when there is no remaining General Partner and no successor General Partner is to be admitted pursuant to Section 7.3A or the remaining General Partners do not elect to continue the business of the Partnership pursuant to Section 7.2, then the Investor Limited Partner shall have the right, subject to any Requisite Approvals and Section 6.3C, to designate a Person to become a successor General Partner.

C. If the Investor Limited Partner elects to reconstitute the Partnership and admit a successor General Partner pursuant to this Section 7.3, the relationship of the Partners in the reconstituted Partnership shall be governed by this Agreement.

Section 7.4 Interest of Predecessor General Partner

A. Except as provided in Section 7.3A, no assignee or transferee of all or any part of the Interest of a General Partner shall have any automatic right to become a General Partner. Until the acquisition of the Interest of a Retiring General Partner pursuant to Section 7.4C or 7.7, such Interest shall be deemed to be that of an assignee and the holder thereof shall be entitled only to such rights as an assignee may have as such under the laws of the State.

B. Anything herein contained to the contrary notwithstanding, any General Partner withdrawing voluntarily in violation of Section 7.1 shall remain liable for all of its obligations under this Agreement, for all its other obligations and liabilities hereunder incurred or accrued prior to the date of its withdrawal and for any loss or damage which the Partnership or any of its Partners may incur as a result of such withdrawal (except as provided in Section 6.6), except for any loss or damage attributable to the default, negligence or misconduct of a successor General Partner admitted in its place under this Agreement.

C. The disposition of the General Partner Interest of a General Partner Retiring voluntarily in compliance with this Agreement shall be accomplished in such manner as shall be acceptable to the remaining General Partners, shall be approved by Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, and shall have obtained any Requisite Approvals. Any other Retirement of a General Partner shall be governed by Section 7.7D.

Section 7.5 Designation of New General Partners

The General Partners may, with the written consent of all Partners, at any time designate new General Partners, each with such Interest as a General Partner in the Partnership as the General Partners may specify, subject to any Requisite Approvals.

Any new General Partner shall, as a condition of receiving any interest in the Partnership property, agree to be bound by the Project Documents and any other documents required in connection therewith and by the provisions of this Agreement, to the same extent and on the same terms as any other General Partner.

Section 7.6 Amendment of Certificate; Approval of Certain Events

Upon the admission of a new General Partner, the Schedule shall be amended to reflect such admission and an amendment to the Certificate, also reflecting such admission, shall be filed as required by the Uniform Act.

Each Partner hereby consents to and authorizes any admission or substitution of a General Partner or any other transaction, including, without limitation, the continuation of the Partnership business, which has been authorized under the provisions of this Agreement, and hereby ratifies and confirms each amendment of this Agreement necessary or appropriate to give effect to any such transaction.

Section 7.7 Removal or Nonconsensual Retirement of the General Partners

A. In addition to any other rights granted to the Limited Partners hereunder, the Special Limited Partner shall have the right to remove and replace a General Partner (referred to herein as a “Defaulting Partner”) in accordance with the provisions of this Section 7.7 if a Material Default with respect to that Defaulting Partner occurs and is not cured within the time period set forth in this Section 7.7. A Material Default as to a Defaulting Partner shall not constitute grounds for removal of any other General Partner unless such other General Partner is also a Defaulting Partner.

B. As used in this Section 7.7, “Material Default” means the occurrence of any of the following events:

(i) a breach by the Defaulting Partner (or any of its Affiliates) of any of its representations or warranties contained herein or in the performance of any of its obligations under this Agreement or any Related Agreement that has or may have a material adverse effect on the Partnership, the Investor Limited Partner, or the Project;

(ii) a violation by the Defaulting Partner of any law, regulation or order applicable to the Partnership, or a material breach by the Partnership (as caused by the Defaulting Partner) or the Defaulting Partner under any Project Document or other material agreement or document affecting the Partnership or the Project which has or may have a material adverse effect on the Partnership, the Investor Limited Partner or the Project;

(iii) an Event of Bankruptcy as to the Defaulting Partner, any Guarantor that is an Affiliate of the Defaulting Partner or the Partnership (to the extent caused by the Defaulting Partner);

(iv) the commencement of foreclosure proceedings with respect to any Mortgage which have not been withdrawn or dismissed within forty-five (45) days after the date of such commencement; or

(v) gross negligence, fraud, willful misconduct, misappropriation of Partnership funds, or a breach of fiduciary duty by the Defaulting Partner or any Affiliate of the Defaulting Partner providing services to or in connection with the Partnership or the Project.

C. In the event that the Special Limited Partner determines to remove a Defaulting Partner pursuant to the provisions of this Section 7.7, the Special Limited Partner shall notify all the General Partners in writing of the Material Default that is the cause for the removal of the Defaulting Partner (any such notice being referred to herein as a “Removal Notice” and the date of such Removal Notice being referred to herein as the “Removal Notice Date”). In the case of any Material Default described in clauses (i) through (iv) of Section 7.7B above, the Defaulting Partner shall have ten (10) business days (or twenty (20) business days if it is a non-monetary default) from the Removal Notice Date to cure the Material Default; *provided, however*, that if a non-monetary Material Default cannot be reasonably cured within twenty (20) business days, the Defaulting Partner shall not be removed if the Defaulting Partner commences such cure within twenty (20) business days and proceeds in good faith to cure diligently thereafter, provided that the cure is completed within sixty (60) business days following the Removal Notice Date (or such lesser period as is required to cure the Material Default), and the failure to cure such Material Default within a shorter period does not have a material adverse effect on the Partnership, the Property, or the Investor Limited Partner. For purposes of this paragraph, the failure to provide or maintain any insurance required by this Agreement shall be deemed to be a monetary default. If the Defaulting Partner fails to cure within the specified time period, or if no cure right is afforded under the terms hereof, the removal of the Defaulting Partner shall be deemed to be effective as of the expiration of any applicable cure period described above; otherwise, such removal shall be effective upon the conclusion of the applicable cure period without a cure of such Material Default reasonably acceptable to the Investor Limited Partner. The Defaulting Partner shall have no right to cure any Material Default described in clause (v) of Section 7.7B above. Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing.

D. If a General Partner is removed pursuant to this Section 7.7, Retires voluntarily in violation of this Agreement or involuntarily Retires, the Partnership shall pay to such General Partner in the manner set forth in Section 7.7G an amount equal to (x) the sum of (i) an amount equal to the General Partner’s positive Capital Account balance, if any, following a deemed sale of all Partnership property and a deemed liquidation of the Partnership (but prior to any deemed distributions upon liquidation), (ii) the unpaid principal balance of any Operating Expense Loans owed to such General Partner, and (iii) any fees owed to such General Partner and/or its Affiliates in the manner described in Section 7.7E below minus (y) an amount equal to any Adverse Consequences suffered by the Partnership or the Limited Partners as a result of the acts or omissions of the General Partner prior to its removal or Retirement, including, without limitation, any Material Default creating the right of the Special Limited Partner to remove such

General Partner pursuant to the provisions of this Section 7.7. Any transfer taxes that are triggered by the removal or Retirement and the cost of any additional title insurance or title endorsements deemed to be necessary by the Special Limited Partner as a result of such removal or Retirement shall be paid by the removed or Retired General Partner or offset against any remaining amounts owed to the General Partner pursuant to the preceding sentence. The resulting amount is referred to herein as the “Withdrawal Purchase Price.” Notwithstanding the foregoing, the Withdrawal Purchase Price shall not exceed the amount which the removed or Retired General Partner would have received under Section 10.1B from a deemed sale of the Project on the Removal Notice Date or the date of Retirement (as applicable), based on the Appraised Value of the Project determined under Section 7.7F below.

E. In the event of the removal of the General Partner pursuant to the provisions of this Section 7.7, voluntary Retirement of the General Partner in violation of this Agreement or involuntary Retirement of the General Partner, any fees owed to such General Partner or its Affiliates (including, without limitation, any unpaid Development Amount attributable to that General Partner and its Affiliates) for services performed prior to the Removal Notice Date or date of Retirement, as applicable, shall be part of the Withdrawal Purchase Price as described above, *provided, however*, that (i) if any Adverse Consequences suffered by the Partnership or the Limited Partners exceed the Withdrawal Purchase Price as calculated pursuant to the provisions of Section 7.7D above, or (ii) there exist any unpaid obligations or liabilities of the General Partner that relate to the period up to and including the effective date of the removal or Retirement of the General Partner, any such unpaid fees owed to the General Partner or its Affiliates shall, to the extent of any such Adverse Consequences or obligations or liabilities, as the case may be, be treated as if they were paid to the General Partner (or such Affiliates) and applied by the General Partner (or such Affiliates) to the payment or satisfaction of such Adverse Consequences, obligations or liabilities, and, to the extent of such application, the obligation of the Partnership to make actual cash payments of such fees to the General Partner (or such Affiliates) shall be reduced or eliminated, as the case may be.

F. The Appraised Value of the Property shall be determined as follows. As soon as practicable and in any event within ten business days following the effective date of removal as specified in Section 7.7C above or the date of Retirement (as applicable), the removed or Retiring General Partner and the Special Limited Partner shall select a mutually acceptable Independent Appraiser. In the event that the parties are unable to agree upon an Independent Appraiser within such ten business day period, the removed or Retiring General Partner and the Special Limited Partner each shall select an Independent Appraiser. If either party fails to select an Independent Appraiser within the time period described above, the determination of the other Independent Appraiser shall control. If the difference between the Appraised Values set forth in the two appraisals is not more than ten percent (10%) of the Appraised Value set forth in the lower of the two appraisals, the fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two Independent Appraisers shall jointly select a third Independent Appraiser whose determination of Appraised Value shall be deemed to be binding on all parties as long as the third determination is between the other two determinations. If the third determination is either lower or higher than both of the other two appraisers, then the average of all three appraisers shall be the fair market value. The Partnership and the removed or Retiring General

Partner shall each pay one-half of the fees and expenses of any Independent Appraiser(s) selected pursuant to this Section 7.7F.

G. In the event of the removal of the General Partner pursuant to the provisions of this Section 7.7, voluntary Retirement of the General Partner in violation of this Agreement or involuntary Retirement of the General Partner, any Withdrawal Purchase Price due to the General Partner pursuant to the provisions of Section 7.7D above shall be payable from the first available proceeds of a Capital Transaction prior to any other distributions or payments to the Partners under Section 10.1B hereof except for those items listed in clauses *First* and *Second* of Section 10.1B.

H. Upon determination of the Withdrawal Purchase Price under the provisions of this Section 7.7, except for payment of any Withdrawal Purchase Price that is due pursuant to Section 7.7G. The Partnership and its remaining Partners shall be deemed to be completely released from all liability to such General Partner and its Affiliates generally and to any others claiming by or through the General Partner to whom any distributions or loan, fee or other payments are to be made under Article X or otherwise, and the General Partner shall be released from any and all obligations to the Partnership and the Partners which arise after the Removal Notice Date or date of Retirement, as applicable. Concurrently with the determination of the Withdrawal Purchase Price, each General Partner shall provide the Partnership, the successor General Partner(s) and the Investor Limited Partner with additional written releases from the General Partner (and any Affiliates to whom obligations of any kind are owed by the Partnership, the successor General Partner(s), the Limited Partners or any of their respective Affiliates) confirming such releases.

I. In the event that a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement or involuntarily Retires, (i) all agreements between the Partnership and such General Partner and/or its Affiliates may, at the election of the Partnership, be terminated and, except for payment of the Withdrawal Purchase Price due to such General Partner (or its Affiliates), the Partnership shall have no further obligations under such agreements, and (ii) the removed or Retired General Partner shall be liable for all costs and expenses incurred by the Partnership or the Limited Partners in connection with the admission to the Partnership of a successor General Partner, which shall be considered Adverse Consequences for a purpose of this Section. From and after the effective date of its removal or Retirement, the removed or Retiring General Partner shall not be liable for obligations of the Partnership incurred subsequent to such effective date unless such obligations arise out of acts or omissions of the removed or Retiring General Partner prior to such effective date. The removed or Retiring General Partner shall continue to be liable for all obligations, liabilities, and guarantees incurred by it in its capacity as the General Partner and any Partnership obligations incurred outside of the ordinary course of business and not listed in the prior year's financial statements or otherwise described in writing to the Special Limited Partner, and for any Adverse Consequences caused by or arising out of its acts or omissions, prior to the effective date of its removal or Retirement. Without limiting the generality of the foregoing, and in addition to any of its other obligations hereunder, the removed or Retiring Managing General Partner shall continue to be liable for any payments or advances due to the Limited Partners or the Partnership pursuant to the Capital Contribution adjustment provisions of Article V as a result of any adjustments determined thereunder, other than adjustments arising from a Recapture Event or the acts or omissions of any replacement or successor General Partner, in

either case subsequent to the effective date of the removal or Retirement of the removed or Retiring General Partner.

J. In the event that a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement or involuntarily Retires, the Special Limited Partner may designate a Person or Persons, including, without limitation, an Affiliate of the Special Limited Partner, to become a successor General Partner or Partners replacing the removed or Retired General Partner, subject to any Requisite Approvals and to the terms of the Project Documents.

K. The election by the Special Limited Partner to remove any General Partner pursuant to the provisions of this Section 7.7 shall not limit or restrict the availability and use of any other remedy that the Special Limited Partner or the Investor Limited Partner may have with respect to any General Partner in connection with its undertakings and responsibilities under this Agreement, and the exercise by the Special Limited Partner of the rights granted to it in this Section 7.7 is understood by the parties hereto to be permitted by the Uniform Act as the exercise of powers not constituting participation in the control of the business so as to cause the Special Limited Partner (or the Investor Limited Partner) to be liable for Partnership obligations as a general partner.

L. In the event that a General Partner is removed pursuant to the provisions of this Section 7.7, voluntarily Retires in violation of this Agreement or involuntarily Retires, such removed or Retired General Partner shall immediately deliver to the Special Limited Partner all books, records, tax and financial information relating to the Partnership and the Property that are in the possession or under the control of such General Partner or any of its Affiliates. Such General Partner agrees that if it fails to comply with the provisions of this Section 7.7L, the Limited Partners may enforce such provisions by specific performance, and no portion of the Withdrawal Purchase Price shall be payable unless the provisions of this Section are fully and promptly complied with.

M. If a General Partner fails to comply with any of its obligations under this Section 7.7 or contests the right of the Special Limited Partner to exercise the removal or other rights described in this Section 7.7, any costs and expenses incurred by the Limited Partners in enforcing their rights in this Section 7.7, including, without limitation, legal fees and expenses, shall be paid by such General Partner upon presentation of an itemized statement describing the same, which costs shall be deemed to be Adverse Consequences for purposes of this Section; provided that, the General Partner shall not be obligated to pay any such costs and expenses if it is the prevailing party in a proceeding contesting the Special Limited Partner's rights under Section 7.7

N. In the event that a General Partner is removed pursuant to the provisions of this Section 7.7, the Special Limited Partner may, as of such date, elect to become, or to designate another Person, including, without limitation, an Affiliate of the Investor Limited Partner or the Special Limited Partner, to become, an additional General Partner with all the rights and privileges of a General Partner. Upon such election by the Special Limited Partner, the Special Limited Partner or such other Entity shall automatically become and shall be deemed to be a General Partner and each Partner hereby irrevocably appoints the Special Limited Partner (with

full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate necessary or appropriate to confirm the foregoing. If the Special Limited Partner or such other Person shall become an additional General Partner as herein stated, its interest in the Partnership shall not be increased as a result thereof. In the event of the admission of the Special Limited Partner or such Person as a General Partner pursuant to this Section 7.7N in the case of removal of a General Partner that is a Managing General Partner, and if there are then any other General Partners, the Special Limited Partner or such other Person shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the General Partners or the Managing General Partner, as the case may be, and the rights and authority of the remaining General Partners or the Managing General Partner, as the case may be, shall be deemed equally divided among them. The Special Limited Partner shall be entitled to receive reasonable compensation for serving as a General Partner under this Section, and any such compensation shall be a reduction of the Withdrawal Purchase Price.

ARTICLE VIII

TRANSFER OF LIMITED PARTNER INTERESTS

Section 8.1 Right to Assign

A. Except as restricted in this Article VIII or by operation of law, and subject to the Regulations and to the terms of the Construction Loan Documents and the Permanent Loan Documents, each Limited Partner shall have the right to assign its Interest to and substitute in its place as a Substitute Limited Partner:

(i) any Affiliate of the Investor Limited Partner with notice to the General Partners;

(ii) with the consent of the General Partners, such consent not to be unreasonably withheld), (a) any Person provided that Investor Limited Partner will remain liable for all outstanding Installments, or (b) if the Investor Limited Partner assigns its interest and obligations for future Capital Contributions, then (A) in the case of an individual, the net worth of the proposed assignee is acceptable to the General Partners and (B) in the case of an entity, an institutional investor with a minimum credit rating of BBB; or

(iii) any partnership or limited liability company in which the Investor Limited Partner, or an Affiliate of the Investor Limited Partner, is the general partner or managing member.

B. The General Partners, at the sole expense of the assigning Limited Partner, shall cooperate in good faith to effect such assignment as expeditiously as possible, including without limitation the execution of appropriate amendments to, or updates of, the Related Agreements and/or any other documents which the assigning Limited Partner reasonably determines necessary or appropriate to accomplish such assignment, including, but not limited to, any amendments, updated opinion of Partnership Counsel, authorizing resolutions of the General

Partners and Developer and any other documents reasonably deemed necessary and appropriate by the Investor Limited Partner. In addition, in the event of a Transfer of any interest in the Investor Limited Partner, the General Partners agree to make such changes to this Agreement and the Related Agreements as the Investor Limited Partner may reasonably request.

C. The assignor shall assume any costs incurred by the Partnership in connection with an assignment of its Interest including, without limitation, costs associated with preparation and execution of appropriate amendments to, or updates of, the Related Agreements and/or any other documents in connection therewith.

Section 8.2 Substitute Limited Partners

Subject to Section 8.1, each Limited Partner shall have the right to substitute an assignee as a Limited Partner in its place, subject to any Requisite Approvals. Any Substitute Limited Partner shall agree to be bound (to the same extent to which its predecessor in interest was so bound) by the Project Documents and this Agreement as a condition to its being admitted to the Partnership.

Section 8.3 Assignees

A. Any permitted assignee of a Limited Partner which does not become a Substitute Limited Partner shall have the right to receive the same share of profits, losses and distributions of the Partnership to which the assigning Limited Partner would have been entitled.

B. Any assigning Limited Partner shall cease to be a Limited Partner and shall no longer have any rights or obligations of a Limited Partner except that, unless and until the assignee of such Limited Partner is admitted to the Partnership as a Substitute Limited Partner, said assigning Limited Partner shall retain the statutory rights and be subject to the statutory obligations of an assignor limited partner under the Uniform Act as well as the obligation to make the Capital Contributions attributable to the Interest in question, if any portion thereof remains unpaid.

C. There shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making each assignment; such instrument must evidence the written acceptance of the assignee to this Agreement and the Project Documents. If such an instrument is not so filed, the Partnership need not recognize any such assignment for any purpose.

D. In the case of any assignment of a Limited Partner's Interest as a Limited Partner, where the assignee does not become a Substitute Limited Partner, the Partnership shall recognize the assignment not later than the last day of the calendar month following receipt of notice of assignment and required documentation.

E. An assignee of a Limited Partner's Interest who does not become a Substitute Limited Partner and who desires to make a further assignment of its Interest shall also be subject to the provisions of this Article VIII.

ARTICLE IX

LOANS; MORTGAGE REFINANCING; PROPERTY DISPOSITION

Section 9.1 General

A. The Partnership shall be authorized to obtain the Mortgage Loans to finance the acquisition, development and construction of the Property and (to the extent permitted by the Lender) shall secure the same by the Mortgages. Except as set forth in the Project Documents as they exist on the date of Investment Closing, each Mortgage shall provide that no Partner or Related Person shall bear the Economic Risk of Loss for all or any part of such Mortgage Loans. All material Mortgage Loan Documents not approved by the Investor Limited Partner as of Investment Closing shall be submitted to and approved by the Investor Limited Partner prior to execution and delivery thereof, and any Mortgage Loan Document made available to the Investor Limited Partner prior to Investment Closing shall be deemed approved by the Investor Limited Partner upon execution of this Agreement.

B. Subject to Section 6.1 and Section 6.3B, the General Partners are specifically authorized, for and on behalf of the Partnership, to execute the Project Documents and any permitted amendments thereto and, subject to the limitations set forth herein, such other documents as they deem necessary or appropriate in connection with the acquisition, development, operation and financing of the Property.

C. All Partnership borrowings shall be subject to Section 6.1, this Article, the Project Documents and the Regulations. To the extent borrowings are permitted, they may be made from any source, including Partners and Affiliates. The Partnership may accept Development Advances as and when permitted pursuant to the Development Agreement, and may issue instruments evidencing Operating Expense Loans.

D. If any Partner shall lend any monies to the Partnership, any such loan shall be unsecured and the amount of any such additional loan from a Partner shall not be an increase of its Capital Contribution. Until such time as the General Partners and the Developer shall have performed fully their obligations to make Operating Expense Loans and Development Advances, any loan from a General Partner or an Affiliate of a General Partner shall be an obligation of the Partnership to the Partner or Affiliate only if it constitutes an Operating Expense Loan or Development Advance in accordance with the provisions of this Agreement or the Development Agreement, as applicable, and shall be repayable as therein provided. Subject to the preceding sentence, any loans to the Partnership by a General Partner or an Affiliate of a General Partner may be made on such terms and conditions as may be agreed on by the Partnership, consistent with good business practices.

E. Subject to the provisions of this Agreement with respect to related party loans, the Investor Limited Partner or an Affiliate thereof (the Investor Limited Partner or its Affiliate being referred to herein as a "Mortgagee Limited Partner") at any time may make, guarantee, own, acquire or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Property owned by the Partnership (any such loan being referred to as a "Related Mortgage Loan"). Under no

circumstances will a Mortgagee Limited Partner be considered to be acting on behalf or as an agent or the alter ego of the Investor Limited Partner. A Mortgagee Limited Partner may take any actions that the Mortgagee Limited Partner, in its discretion, determines to be advisable in connection with its Related Mortgage Loan (including in connection with the enforcement of its Related Mortgage Loan). Each Partner agrees, to the extent permitted by applicable law, that no Mortgagee Limited Partner owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee Limited Partner being a limited partner or member in the Investor Limited Partner. Neither the Partnership nor any Partner will make any claim against a Mortgagee Limited Partner, or against the Investor Limited Partner in which the Mortgagee Limited Partner is a partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Mortgagee Limited Partner's status as a limited partner or member of the Investor Limited Partner. Notwithstanding any provision to the contrary in this Section 9.1E, the General Partners shall not obtain or consent to any Related Mortgage Loan unless (i) they have obtained the prior Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, and (ii) they have determined, based on the financial projections prepared at the time of requesting such Consent and the advice of Investor Tax Counsel, that the Related Mortgage Loan will not result in any reallocation of Tax Credits or other tax benefits among the Partners.

Section 9.2 Refinancing and Sale

The Partnership may not increase the amount of or otherwise materially modify any Mortgage Loan, obtain any new Mortgage Loan or refinance any Mortgage Loan (other than pursuant to and substantially in accordance with a Commitment in existence at Investment Closing) including any required Transfer of Partnership assets for security or mortgage purposes, and may not sell, lease, exchange or otherwise Transfer all or substantially all the assets of the Partnership without the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion, (other than pursuant to Mortgage Loan Documents approved by the Investor Limited Partner as contemplated in Section 9.1A). In the event that an Affiliate of Bank of America, N.A. shall be ready, willing and able to furnish financing on substantially equivalent terms, the Consent of the Investor Limited Partner to any proposed refinancing of a Mortgage Loan may be conditioned upon the substitution of such Affiliate as the maker of such refinanced Mortgage Loan, and provided that any Consent of the Investor Limited Partner shall be granted in the Investor Limited Partner's sole and absolute discretion. Notwithstanding the foregoing, no such Consent shall be required for the leasing of apartments to tenants in the normal course of operations; *provided, however*, unless such Consent is obtained the Partnership shall lease the Project in such a manner as to qualify as a "qualified low-income housing project" under Section 42(g)(1) of the Code, and shall lease all of the Low Income Units to Qualified Tenants.

Section 9.3 Sales Commissions

In connection with the sale of the Property by the Partnership, no Person may receive real estate commissions in excess of that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area. Real estate commissions may be paid to an Affiliate of a General Partner.

ARTICLE X

PROFITS, LOSSES AND DISTRIBUTIONS

Section 10.1 Distributions Prior to Dissolution

A. Distribution of Cash Flow.

Subject to any Requisite Approvals, (i) net rental income and other miscellaneous income generated through the Development Obligation Date shall be includable in Designated Proceeds and shall be available to the Developer and the General Partners for the purposes and subject to the conditions set forth Section 6.7 hereof. From and after the Development Obligation Date, Cash Flow for each Fiscal Year (or fractional portion thereof) shall be distributed within ninety (90) days after the end of each Fiscal Year, in the following order of priority:

- (i) *First*, to pay the Asset Management Fee to the Special Limited Partner;
- (ii) *Second*, to the payment of interest on the Development Fee Note, if any;
- (iii) *Third*, to pay accrued interest on the Development Fee Note;
- (iv) *Fourth*, to pay principal on the Development Fee Note;
- (v) *Fifth*, to pay the Management Agent Fee to the Management Agent;
- (vi) *Sixth*, to pay the Partnership Management Fee to the Managing General Partner and the Partnership Administration Fee to the Administrative General Partner, on a pari passu basis;
- (vii) *Seventh*, to the Investor Limited Partner an amount equal to any amounts contributed by the Investor Limited Partner pursuant to Section 6.4Q(iii)(if any);
- (viii) *Eighth*, to the Investor Limited Partner the payment of any unpaid Tax Credit Shortfall Payments;
- (ix) *Ninth*, to the repayment of Completion Loans and interest and principal on any Operating Expense Loans then outstanding;
- (x) *Tenth*, to the replenishment of the Operating Reserve to an amount equal to 50% of the initial amount set forth in Section 6.11B;
- (xi) *Eleventh*, of any balance, 90% to pay the Incentive Management Fee to the General Partners in accordance with Section 6.9B (provided, however, that if with respect to any Fiscal Year, the Incentive Management Fee, the Partnership Administration Fee, the Partnership Management Fee, and any management fees paid to the Management Agent would collectively exceed twelve percent (12%) of the Partnership's Cash Receipts for such year, any amounts in excess of the twelve (12%) shall be paid as a distribution to the Managing General Partner and Administrative General Partner; and

- (xii) Twelfth, then to the Partners in accordance with their Interests.

Notwithstanding the foregoing, if the amount distributable to the Investor Limited Partner under this Section 10.1A (including the Asset Management Fee pursuant to Clause First) with respect to any Fiscal Year shall be less than 10% of the total amounts paid or distributable with respect to such Fiscal Year under Clauses First, Fifth, Sixth, Eleventh and Twelfth of this Section 10.1A, then the amounts which would otherwise have been paid or distributed to the General Partners and their Affiliates pursuant to such clauses of this Section 10.1A shall be reduced and the amount which would otherwise have been distributed to the Investor Limited Partner pursuant to this Section 10.1A (taking into account the Asset Management Fee pursuant to Clause First) shall be increased to the extent necessary to assure that the Investor Limited Partner receives its 10% share of such total payments and distributions.

B. Distributions of Capital Transaction Proceeds

Prior to dissolution, if the General Partners shall determine that there are proceeds available for distribution from a Capital Transaction, such proceeds shall be applied and distributed as follows:

- (i) First, to discharge, to the extent required by any lender or creditor, the debts and obligations of the Partnership (other than items listed in the ensuing clauses of this Section 10.1B);
- (ii) Second, to fund reserves for contingent liabilities to the extent deemed reasonable by the Managing General Partner (other than items listed in the ensuing clauses of this Section 10.1B);
- (iii) Third, to the Limited Partners in an amount equal to, on an After-Tax Basis, the taxes (if any) owed by it (or them) as a result of any income allocation arising out of the Capital Transaction plus any amounts contributed by the Investor Limited Partner pursuant to Section 6.4Q(iii)(if any);
- (iv) Fourth, to the Special Limited Partner any unpaid, accrued Asset Management Fee;
- (v) Fifth, to any unpaid, accrued interest on the Development Fee Note;
- (vi) Sixth, to repay any outstanding Development Fee Note;
- (vii) Seventh, to any unpaid, accrued Management Agent Fee to the Management Agent;
- (viii) Eighth to any unpaid, accrued Partnership Management Fee and any unpaid, accrued Partnership Administration Fee, on a pari passu basis;
- (ix) Ninth, to the Investor Limited Partner an amount equal to any theretofore unpaid Tax Credit Shortfall Payments;

(x) *Tenth*, to the payment of the Completion Loan and interest and principal on any outstanding Operating Expense Loans; and

(xi) *Eleventh*, the balance of such proceeds shall be distributed 10% to the Investor Limited Partner, 81% to the Managing General Partner, and 9% to the Administrative General Partner.

C. Sharing of Distributions

All distributions to the respective classes of the Partners shall be shared by the members of such classes in accordance with the percentages set forth opposite their respective names on the Schedule, except as otherwise provided in this Agreement.

D. Proceeds from Insurance

Notwithstanding the provisions of Sections 10.1A or 10.1B, if the Partnership receives proceeds from the Title Policy, an insurance policy, or as the result of a casualty or condemnation wherein the Partnership will not rebuild or recover the Project, then, after payment of debts and obligations of the Partnership, such proceeds shall be applied and distributed to the payment to the Investor Limited Partner of an amount equal to 100% of its Net Capital Contribution less the sum of all Tax Credits received by the Investor Limited Partner and not subject to a Recapture Event; and the balance to the General Partners.

Section 10.2 Distributions Upon Dissolution

A. Upon dissolution and termination, after payment of, or adequate provision for, the debts and obligations of the Partnership, the remaining assets of the Partnership shall be distributed to the Partners in accordance with the positive balances in their Capital Accounts after taking into account all Capital Account adjustments for the Partnership taxable year, including adjustments to Capital Accounts pursuant to Sections 10.2B and 10.3B. Liquidation distributions shall be made by the end of the taxable year in which the liquidation occurs or, if later, within ninety (90) days after the date of liquidation. In the event that either (i) the Investor Limited Partner has a negative balance in its Capital Account following the liquidation of the Partnership, after taking into account all Capital Account adjustments for the Partnership taxable year in which such liquidation occurs, then the Investor Limited Partner shall pay to the Partnership in cash an amount equal to the negative balance in such its Capital Account or (ii) the Managing General Partner has a negative balance in its Capital Account following the liquidation of the Partnership, after taking into account all Capital Account adjustments for the Partnership taxable year in which such liquidation occurs, then the Managing General Partner shall pay to the Partnership in cash an amount equal to the lesser of (i) the negative balance in such Partner's respective Capital Account, or (ii) 0.0101% of the Capital Contributions of the Investor Limited Partner. Such deficit Capital Account restoration payments shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid, first, to recourse creditors of the Partnership and, thereafter, distributed to other Partners in accordance with the positive balances in their Capital Accounts. Liquidation distributions shall be made by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of liquidation or in such

other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations. Notwithstanding the foregoing, the obligation of the Investor Limited Partner to contribute such deficit shall be zero unless and until it shall notify the Partnership in writing of its election to have a different amount (the “Designated Amount”) apply, which Designated Amount may be increased or reduced (subject to the provisions of the following sentence) by similar written notice from the Investor Limited Partner at any subsequent date. No such notice shall be effective with respect to any Fiscal Year unless the same shall be given prior to the end of such Fiscal Year. No subsequent reduction to the Designated Amount shall be permitted if such reduction would cause the Designated Amount to be less than the Investor Limited Partner's deficit balance in its Capital Account (as such Capital Account is increased by the Investor Limited Partner's share of Partnership Minimum Gain) at the end of the Partnership's immediately preceding tax year.

B. With respect to assets distributed in kind to the Partners in liquidation or otherwise, (i) any unrealized appreciation or unrealized depreciation in the values of such assets shall be deemed to be profits and losses realized by the Partnership immediately prior to the liquidation or other distribution event; and (ii) such profits and losses shall be allocated to the Partners in accordance with Section 10.3B, and any property so distributed shall be treated as a distribution of an amount in cash equal to the excess of such fair market value over the outstanding principal balance of and accrued interest on any debt by which the property is encumbered. For the purposes of this Section 10.2B, “unrealized appreciation” or “unrealized depreciation” shall mean the difference between the fair market value of such assets, taking into account the fair market value of the associated financing (but subject to Section 7701(g) of the Code), and the Partnership's adjusted basis for such assets as determined under Section 1.704-1(b). This Section 10.2B is merely intended to provide a rule for allocating unrealized gains and losses upon liquidation or other distribution event, and nothing contained in this Section 10.2B or elsewhere herein is intended to treat or cause such distributions to be treated as sales for value. The fair market value of such assets shall be determined by an appraiser to be selected by the General Partners with the Consent of the Investor Limited Partner, which consent shall be granted in the Investor Limited Partner's sole and absolute discretion.

Section 10.3 Profits, Losses and Tax Credits

A. Except as otherwise specifically provided in this Article X, for each Fiscal Year or portion thereof, profits, tax-exempt income, losses and non-deductible, non-capitalizable expenditures incurred and/or accrued by the Partnership, shall be allocated 0.01% to the General Partners and 99.99% to the Investor Limited Partner.

B. Except as otherwise specifically provided in Section 10.4 or elsewhere in this Article X, all profits and losses arising from a Capital Transaction shall be allocated to the Partners as follows:

As to profits:

- (i) *First*, an amount of profit equal to the aggregate negative balances (if any) in the Capital Accounts of all Partners having negative balance Capital Accounts

shall be allocated to such Partners in proportion to their negative Capital Account balances until all such Capital Accounts shall have zero balances; and

(ii) Second, an amount of profits shall be allocated to each of the Partners until the positive balance in the Capital Account of each Partner equals, as nearly as possible, the amount of cash which would be distributed to such Partner if the aggregate amount in the Capital Accounts of all Partners were cash available to be distributed in accordance with the provisions of Section 10.1B.

As to losses:

(iii) First, an amount of losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Partners having positive balance Capital Accounts shall be allocated to such Partners in proportion to their positive Capital Account balances until all such Capital Accounts shall have zero balances; provided, however, that if the amount of losses so to be allocated is less than the sum of the positive balances in the Capital Accounts of those Partners having positive balances in their Capital Accounts, then such losses shall be allocated to the Partners in such proportions and in such amounts so that the Capital Account balances of each Partner shall equal, as nearly as possible, the amount such Partner would receive if an amount equal to the excess of (a) the sum of all Partners' balances in their Capital Accounts computed prior to the allocation of losses under this clause First over (b) the aggregate amount of losses to be allocated to the Partners pursuant to this clause First were distributed to the Partners in accordance with the provisions of Section 10.1B; and

(iv) Second, the balance, if any, of such losses shall be allocated 0.01% to the General Partners and 99.99% to the Investor Limited Partner.

C. If the Partnership (i) incurs recourse obligations (including, without limitation, accounts payable and deferred fees that in the reasonable judgment of the Special Limited Partner are not expected to be paid in the ordinary course of business) or Partner Nonrecourse Debt (including without limitation Operating Expense Loans), (ii) accepts Special Capital Contributions pursuant to Section 6.9 or other Capital Contributions from the General Partners that are required or permitted by the terms of this Agreement, all or a portion of the proceeds of which are applied to the payment of Operating Expenses or other items that are deductible for federal income tax purposes or (iii) incurs losses from extraordinary events which are not recovered from insurance or other sources (the items referred to in clauses (i), (ii) and (iii) being hereinafter referred to collectively as the "Section 10.3C Items") in respect of any Partnership taxable year, then the calculation and allocation of profits and losses shall be adjusted as follows: *first*, an amount of deductions (consisting of Operating Expenses and not cost recovery deductions) attributable to the Section 10.3C Items shall be allocated to the General Partners; and *second*, the balance of such deductions shall be allocated as provided in Section 10.3A. For purposes of determining the deductions that are attributable to the Section 10.3C Items, Cash Receipts shall be deemed to have been applied first to Debt Service Requirements and the funding of Partnership reserves and then to Operating Expenses other than Debt Service Requirements and the funding of Partnership reserves. The term "extraordinary events," as used in this Section 10.3C, includes casualty losses, losses resulting from liability to third parties for

tortious injury, losses resulting from a breach of a legal duty by the Partnership or by the General Partners, and deductions resulting from other liabilities of the Partnership that are not incurred in the ordinary course of business. Nothing in this Section 10.3C shall prevent the Partnership from recovering an extraordinary loss from a General Partner who is liable therefor by law or under the terms of this Agreement.

D. Reserved.

E. Notwithstanding the foregoing provisions of Sections 10.3.A and 10.3.B, in no event shall any losses be allocated to a Limited Partner if and to the extent that such allocation would cause, as of the end of the Partnership taxable year, the negative balance in such Limited Partner's Capital Account to exceed such Limited Partner's share of Partnership Minimum Gain plus such Limited Partner's share of Partner Nonrecourse Debt Minimum Gain plus the amount, if any, of such Limited Partner's Designated Amount (as specified in accordance with Section 10.2A). Any losses which are not allocated to the Limited Partners by virtue of the application of this Section 10.3E shall be allocated as required under Treasury Regulation Section 1.704-1(b). For purposes of this Section 10.3E, a Partner's Capital Account shall be treated as reduced by Qualified Income Offset Items.

F. The terms "profits" and "losses" used in this Agreement shall mean income and losses, and each item of income, gain, loss, deduction or credit entering into the computation thereof, as determined in accordance with the accounting methods followed by the Partnership and computed in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(iv). Profits and losses for federal income tax purposes shall be allocated in the same manner as profits and losses under Section 10.3 except as provided in Section 10.5B.

G. Federal Low Income Tax Credits shall be allocated among the Partners in the same manner as the deductions attributable to the expenditures creating the tax credit are allocated among the Partners in accordance with Treasury Regulation Section 1.704-1(b)(4)(ii).

Section 10.4 Minimum Gain Chargebacks and Qualified Income Offset

A. If there is a net decrease in Partnership Minimum Gain during a Partnership taxable year, each Partner will be allocated items of income and gain for such year (and, if necessary, subsequent years) in the proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partnership Minimum Gain during the year. A Partner is not subject to this Partnership Minimum Gain chargeback to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(f)(2)-(5) apply. Such allocations shall be made in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(f) under Section 704 of the Code.

B. If there is a net decrease in Partner Nonrecourse Debt Minimum Gain during a Partnership taxable year, then each Partner with a share of the minimum gain attributable to such debt at the beginning of such year will be allocated items of income and gain for such year (and, if necessary, subsequent years) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain during the year. A Partner is not subject to this Partner Nonrecourse Debt Minimum Gain chargeback to the

extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(i)(4) applied consistently with Treasury Regulation Section 1.704-2(f)(2)-(5) apply. Such allocations shall be made in a manner consistent with the requirements of Treasury Regulation Section 1.704-2(i)(4) under Section 704 of the Code.

C. If a Limited Partner unexpectedly receives in any taxable year (1) any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) or (2) a distribution, and such adjustment, allocation and/or distribution would cause the negative balance in such Partner's Capital Account to exceed (i) such Partner's share of Partnership Minimum Gain plus (ii) such Partner's share of Partner Nonrecourse Debt Minimum Gain and (iii) the amount of such Partner's obligation, if any, to restore a deficit balance in its Capital Account, then such Partner shall be allocated items of income and gain in an amount and manner sufficient to eliminate such negative balance as quickly as possible. For purposes of this Section 10.4C, a Partner's Capital Account shall be treated as reduced by Qualified Income Offset Items.

Section 10.5 Special Provisions

A. Except as otherwise provided in this Agreement, all profits, losses, credits and distributions shared by the respective classes composed of the Special Limited Partner and the General Partners shall be allocated among the members of such class in accordance with the percentages set forth opposite their respective names in the Schedule. Subject to the provisions of Section 13.8, the Investor Limited Partner and Special Limited Partner each shall be deemed to have been admitted to the Partnership as of the first day of the month during which its actual admission occurs for purposes of allocating profits and losses.

B. Income, gain, loss and deduction with respect to property which has a variation between its basis computed in accordance with Treasury Regulation Section 1.704-1(b) and its basis computed for federal income tax purposes shall be shared among the Partners for tax purposes so as to take account of such variation in a manner consistent with the principles of Section 704(c) of the Code and Treasury Regulation Sections 1.704-1(b)(2)(iv)(g) and 1.704-3.

C. If the Partnership shall receive any purchase money indebtedness in partial payment of the purchase price of the Project and such indebtedness is distributed to the Partners pursuant to the provisions of Section 10.1B or Section 10.2, the distributions of the cash portion of such purchase price and the principal amount of such purchase money indebtedness hereunder shall be allocated among the Partners in the following manner: On the basis of the sum of the principal amount of the purchase money indebtedness and cash payments received on the sale (net of amounts required to pay Partnership obligations and fund reasonable reserves), there shall be calculated the percentage of the total net proceeds distributable to each class of Partners based on Section 10.1B or Section 10.2, as applicable, treating cash payments and purchase money indebtedness principal interchangeably for this purpose, and the respective classes shall receive such respective percentages of the net cash purchase price and purchase money principal. Payments on such purchase money indebtedness retained by the Partnership shall be distributed in accordance with the respective portions of principal allocated to the respective classes of Partners in accordance with the preceding sentence, and if any such purchase money indebtedness shall be sold, the sale proceeds shall be allocated in the same proportion.

D. In the event that any fee payable to any General Partner or any Affiliate shall instead be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to such General Partner an amount of gross income equal to the amount of such distribution.

E. Notwithstanding any provision to the contrary in this Article X, funds of the Partnership constituting Designated Proceeds shall be applied to pay Development Costs and the Development Amount in accordance with the provisions of this Agreement, the Development Agreement and the Project Documents.

F. In applying the provisions of this Article X with respect to distributions and allocations, the following ordering of priorities shall apply:

(1) Capital Accounts shall be deemed to be reduced by Qualified Income Offset Items.

(2) Capital Accounts shall be reduced by distributions of Cash Flow under Section 10.1A.

(3) Capital Accounts shall be reduced by distributions from Capital Transactions under Section 10.1B.

(4) Capital Accounts shall be increased by any minimum gain chargeback under Section 10.4A or 10.4B.

(5) Capital Accounts shall be increased by any qualified income offset under Section 10.4C.

(6) Capital Accounts shall be increased by allocations of profits under Section 10.3A.

(7) Capital Accounts shall be reduced by allocations of losses under Section 10.3A.

(8) Capital Accounts shall be reduced by allocations of losses under Section 10.3B.

(9) Capital Accounts shall be increased by allocations of profits under Section 10.3B.

G. For purposes of determining each Partner's proportionate share of excess Partnership Nonrecourse Liabilities pursuant to Treasury Regulation Section 1.752-3(a)(3), the Investor Limited Partner shall be deemed to have a 99.99% interest in profits of the Partnership and the General Partners shall be deemed to have a 0.01% interest in profits of the Partnership.

H. To the maximum extent permitted under the Code, allocations of profits and losses shall be modified so that the Partners' Capital Accounts reflect the amount they would have reflected if adjustments required by Section 10.4 had not occurred. Furthermore, if for any

Fiscal Year the application of the provisions of Section 10.4 would cause a distortion in the economic sharing arrangement among the Partners and it is not expected that the Partnership will have sufficient other income to correct that distortion, the General Partners may request a waiver from the Service of the application in whole or in part of Section 10.4 in accordance with Treasury Regulation Section 1.704-2(f)(4). Notwithstanding any provision to the contrary in this Section 10.5H, depreciation deductions shall in all events be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partners.

I. To the extent that interest on obligations to any General Partner or its Affiliates is determined to be deductible by the Partnership in excess of the stated amount of interest payable thereunder, the corresponding additional interest deduction shall be allocated solely to such General Partner.

J. Any income earned by the Partnership prior to the Development Obligation Date shall be specially allocated to the General Partners.

K. Nonrecourse deductions as defined in Treasury Regulation Section 1.704-2(b)(1) for any Fiscal Year shall be allocated 99.99% to the Investor Limited Partner and 0.01% to the General Partners.

L. Any partner nonrecourse deductions as determined under Treasury Regulation Sections 1.704-2(i)(2) and 1.704-2(k) with respect to Partner Nonrecourse Debt for any Fiscal Year shall be specially allocated to the Partner or Partners that bear the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such deductions are attributable in accordance with Treasury Regulation Section 1.704-2(b)(4) and 1.704-2(i).

M. The Partnership and its Partners shall be permitted to disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure (as defined in Treasury Regulation Section 1.6011-4(c)) of the transaction contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

ARTICLE XI

MANAGEMENT AGENT

Section 11.1 Management Agent; Property Manager

The General Partners shall have responsibility for obtaining a Management Agent acceptable to the Investor Limited Partner and each Lender and Governmental Agency to manage the Project in accordance with the requirements of each Lender and Governmental Agency. The General Partners shall cause the Partnership to enter into the Management Agent Agreement with the Management Agent, which may be an Affiliate of a General Partner. The initial Management Agent shall be HCHP Property Management, L.P. No Management Agent may be removed or replaced without the prior written consent of the Investor Limited Partner. Subject to the Regulations, the Management Agent shall be entitled to receive a reasonable and competitive Management Fee (determined by reference to arm's-length property management arrangements for comparable properties in force in the general locality of the Project) not to

exceed the lesser of 6% of gross rental income or the maximum amount permitted by any relevant Governmental Agency or Lender. The Management Agent shall retain a portion of the Management Fee equal to 1% of the gross rental income and pay the balance to the Property Manager as provided in the Property Management Agreement.

The Management Agent shall enter into a Property Management Agreement with a Property Manager acceptable to the Investor Limited Partner and each Lender and Governmental Agency to carry out certain management obligations of the Management Agent with respect to the Project. The initial Property Manager shall be UAH Property Management, L.P. No Property Manager may be removed or replaced without the prior written consent of the Investor Limited Partner. As compensation for services, the Management Agent shall pay to Property Manager a portion of the Management Fee as described above. The Management Agent acknowledges that notwithstanding any provisions of the Property Management Agreement, the Management Agent shall be solely responsible for its obligations to the Partnership under this Agreement and the Management Agreement.

The Management Agent acknowledges that the Partnership is required under this Agreement to use reasonable best efforts to lease 100% of the Low Income Units to tenants whose income and rent levels qualify such apartments for inclusion in meeting the requirements for Tax Credits and:

(i) The Management Agent shall require each prospective tenant to certify, on the lease application or lease, the amount of such tenant's annual family income, family size, and any other information reasonably requested by the Partnership in connection with the Tax Credits. The Management Agent shall require the tenants to certify in writing as to such matters on an annual basis, prior to such time as the information is required for reporting purposes.

(ii) Without the Partnership's express prior written consent, the Management Agent shall not enter into any lease on behalf of the Partnership at a rental amount exceeding the application maximum.

(iii) The Management Agent shall maintain and preserve all written records of the tenants' family income and size, and any other information reasonably requested by the Partnership in writing in connection with the Tax Credits, throughout the term of the Management Agreement, and shall turn all such records over to the Partnership upon the termination or expiration of the Management Agreement.

(iv) The Management Agent shall prepare reports of low-income leasing and occupancy in form suitable for submission in connection with the Tax Credits.

If at any time after the Completion Date:

(v) the Project shall be subject to any substantial building code violation which shall not have been cured within ninety (90) days after notice from the applicable Governmental Agency or department or unless such violation is being validly contested by the General Partners by proceedings which operate to prevent any fines or criminal penalties from being levied against the Partnership or unless, in the case of any such

violation not susceptible of cure within such ninety (90)-day period, the General Partners are diligently making reasonable efforts to cure the same,

(vi) operating revenues of the Project in respect of any period of twelve (12) consecutive calendar months after the Completion Date shall be insufficient to permit the Partnership to pay when due on a current basis all Partnership obligations in respect of such twelve (12) month period, as a result of negligence, misconduct, mismanagement, incompetence or malfeasance by the Property Manager.

(vii) the Project ceases to qualify as a “qualified low-income housing project” under Section 42(g) of the Code or any Low Income Unit in the Project ceases to qualify as a “low income unit” under Section 42(i)(3) of the Code,

(viii) a Recapture Event shall have occurred,

(ix) the Property Manager or its agents or employees have demonstrated incompetence or malfeasance in the management of the Project, or

(x) the Special Limited Partner has elected to remove a General Partner that is an Affiliate of the Management Agent pursuant to the provisions of Section 7.7,

then the General Partners shall forthwith give to the Special Limited Partner notice of such event (a “Management Default Notice”), and thereafter the Partnership shall, subject to any Requisite Approvals, forthwith cause the Management Agent to terminate the management agreement with the Property Manager, unless the approval of the Special Limited Partner is obtained to the retention of the Property Manager. Upon any termination, the General Partners shall immediately proceed to select a qualified Person as the new Property Manager (which, in the event the terminated Property Manager was an Affiliate of a General Partner, shall be unaffiliated with any General Partner) as the new Property Manager for the Property, which selection shall be subject to the Consent of the Investor Limited Partner and any Requisite Approvals; and, after such selection, no Management Fee shall be payable to any Person which is an Affiliate of a General Partner unless the management contract with any such Person shall provide for the right of the Partnership to terminate the same upon the occurrence of any circumstance described in this Article XI. In the event that the Special Limited Partner elects to remove the Managing General Partner pursuant to the provisions of Section 7.7, the Management Agent Agreement and the property management agreement shall automatically terminate upon removal of the Managing General Partner pursuant to Section 7.7. By its execution hereof, the Management Agent agrees that the provisions of this Section which limit the amount of the Management Fee and provide for the termination of the Management Agent and concurrent termination of any property management agreement under the circumstances herein described are hereby incorporated into any present or future Management Agent Agreement and subsequent property management agreement (which shall be deemed amended hereby to the extent necessary to give effect to such provisions).

Section 11.2 Special Power of Attorney

If an event described in clauses (i) through (vi) of Section 11.1 above occurs and the General Partner fails to send a Management Default Notice to the Special Limited Partner within

the ten (10) days of the date the General Partner became aware of such event, the Special Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to take such action, and to execute and deliver such documents on behalf of the Partners and the Partnership, as shall be legally necessary and sufficient to effect the provisions of this Article XI.

ARTICLE XII

BOOKS AND REPORTING, ACCOUNTING, TAX ELECTION

Section 12.1 Books, Records and Reporting

A. The General Partners shall keep or cause to be kept a complete and accurate set of books and supporting documentation with respect to the Partnership's business in accordance with this Article XII. The books of the Partnership shall be kept on the accrual basis. The books and records of the Partnership (including all records required to be maintained under the Uniform Act) shall at all times be maintained at the principal office of the Partnership. Each Partner, its duly authorized representatives and any regulatory authority which regulates such Partner shall have the right to examine the books of the Partnership and all other records and information concerning the Partnership and the Project at reasonable times. The books and records of the Partnership shall include, without limitation, copies of the following: (i) the Partnership's federal, state and local income tax or information returns and reports, if any, and all related back-up documentation for ten (10) years from the date of production and (ii) financial statements of the Partnership for ten (10) years from the date of production.

B. The Managing General Partner shall comply with all of the requirements set forth in this Section 12.1 and **Exhibit K** and will deliver to the Special Limited Partner all of the information requested in this Section 12.1 and on **Exhibit K** within the relevant time frames. The Managing General Partner shall also provide copies of all such information to the Administrative General Partner when it is delivered to the Special Limited Partner.

C. The reports and tax returns described on **Exhibit K** shall be accompanied by a certification from the Managing General Partner that states as follows: (i) all Capital Accounts have been analyzed for minimum gain and, if applicable, how any potential reallocation of profits, losses and Tax Credits will be addressed, (ii) to the best of the Managing General Partner's knowledge, no notices of any proceedings have been received by the General Partner from the IRS pertaining to the Partnership and, if such notices have been received, then a statement as to the corrective action plan, and (iii) to the best of the Managing General Partner's knowledge, no material litigation has been filed against the Partnership and, if such litigation has been filed, a statement detailing the litigation and the potential outcome.

D. If the Managing General Partner fails to complete such tax returns and submit such Schedules K-1 within the time frames set forth on **Exhibit K**, the Special Limited Partner may select a firm of accountants who shall prepare such returns and Forms K-1. The Managing General Partner shall immediately furnish all necessary documentation and other information to prepare such tax returns and such Schedules K-1 to such accountants.

E. Every Limited Partner shall at all times have access to the records of the Partnership and may inspect and copy any of them. A list of the names and addresses of all of the Limited Partners shall be maintained as part of the books and records of the Partnership and shall be mailed to any Limited Partner upon request.

F. The General Partners shall furnish to the Special Limited Partner a radon gas test measurement report and conclusion (a “Radon Report”) for each Building upon completion of construction or rehabilitation thereof, unless the Project is located in a county in the lowest risk EPA radon map Zone 3. The Radon Report must come from a radon service professional who (i) meets state-specific requirements, if any, for providing such Radon Reports, and (ii) has a proficiency listing, accreditation or certification in radon test measurement from either (a) The National Environmental Health Association (“NEHA”) National Radon Proficiency Program or (b) The National Radon Safety Board (“NRSB”). Alternatively, a Radon Report from an environmental professional who lacks such a proficiency listing, accreditation or certification from NEHA or NRSB may be acceptable if it follows state-specific requirements and EPA recommendations and protocols set forth in the following EPA publications: *Protocols for Radon and Radon Decay Product Measurements in Homes* (EPA 402-R-93-003, June, 1993) and the *Indoor Radon and Radon Decay Product Measurement Device Protocols* (EPA 402-R-92-004, July, 1992), which protocols are summarized at www.airchek.com. If the Radon Report demonstrates that the radon gas level for a Building exceeds the EPA standard for radon action or remediation then in effect, the General Partners shall install a radon mitigation system or take other recommended mitigation measures and shall provide a follow-up Radon Report to confirm effectiveness.

G. The General Partners and/or their Affiliates shall (i) report any “reportable transactions” to the Service as required under Section 6111 of the Code (“Reportable Transactions”); (ii) disclose any Reportable Transactions as required by Treasury Regulations 1.6011-4; (iii) promptly report to the Partners any Reportable Transactions in which the Partnership engages; and (iv) maintain any list of investors in accordance with Section 6112 of the Code to the extent they are required to maintain such lists. The General Partners shall be responsible for any expenses or penalties, including penalties for understatement of income, solely attributable to the failure of the General Partners or their Affiliates to satisfy the Reportable Transactions requirements imposed on them.

H. In addition to the foregoing, the Managing General Partner shall prepare a semi-annual report describing each of the following: (i) any new agreement, contract or arrangement between the Partnership and a General Partner or an Affiliate of a General Partner, (ii) the amount of all fees and other compensation and distributions and reimbursed expenses paid by the Partnership for the quarter to any General Partner or Affiliate of a General Partner, (iii) the amount of all distributions of Cash Flow and Capital Transaction proceeds made to Partners during such reporting period (if any); and (iv) a report of the significant activities of the Partnership during the reporting period including, without limitation, any material notice received by the Partnership or the General Partner of any IRS proceeding involving the Partnership, any lapse, cancellation, or non-renewal of any insurance policy that insures the Partnership or its property, and any other material notice (the “Semi-Annual Status Reports”). Each Semi-Annual Status Report shall also contain a certification by the General Partners that neither the Partnership nor any General Partner has received any notice or has been cited by or

otherwise warned in writing of any Violation (as hereinafter defined) by any Governmental Agency, which Violation could have a materially adverse impact on any of them. For purposes of this certification, a “Violation” shall mean any act or omission complained of which, if uncured, would be in violation of (a) any applicable statute, code, ordinance, rule or regulation, (b) any agreement or instrument to which the Governmental Agency and the Partnership or a General Partner is a party or to which the Project is subject, (c) any license or permit, or (d) any judgment, decree or order of a court. Any exceptions to the foregoing shall be described in such certification. In addition, if requested by the Investor Limited Partner in writing, within a reasonable time after receipt of such a request, each General Partner shall send to the Investor Limited Partner such recent financial statements (including a balance sheet and statement of income) as shall have been so requested.

Section 12.2 Bank Accounts

Subject to any Requisite Approvals, the bank accounts of the Partnership shall be maintained at Bank of America, N.A., as its principal bank, for deposits and the maintenance of business, cash management, operating and administrative deposit accounts. Specifically, the General Partner will establish and maintain a separate operating account for the Partnership (the “Operating Account”). All Cash Receipts from the Project will be deposited into the Operating Account and all Operating Expenses will be paid out of the Operating Account. All funds of the Partnership in excess of those necessary for the short-term operation of the Project will be invested in the name of the Partnership or the General Partner, under such terms and conditions (including signatories) as the Investor Limited Partner approves in writing. Withdrawals shall be made only in the regular course of Partnership business on the signature of the Managing General Partner. All deposits and other funds not needed in the operation of the business shall be deposited, to the extent permitted by the Lender and the Governmental Agency, in interest-bearing accounts or invested in short-term United States Government obligations maturing within one (1) year. Promptly upon the request of the Investor Limited Partner, the General Partner will obtain and deliver to the Investor Limited Partner full, complete and accurate statements of the amounts and status of all Partnership bank accounts and all withdrawals therefrom and deposits thereto.

Section 12.3 Elections

Unless the Investor Limited Partner shall specify a different permissible treatment in writing, and except to the extent otherwise required by Section 168(g)(1)(B) of the Code, the Partnership shall depreciate its residential rental property, site improvements and personal property costs, respectively, over twenty-seven and a half (27.5) years, fifteen (15) years and five (5) years for federal income tax purposes and over forty (40) years, twenty (20) years and ten (10) years for financial accounting purposes. Subject to the provisions of Section 12.4, all other elections required or permitted to be made by the Partnership under the Code shall be made by the Managing General Partner with the Consent of the Investor Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 12.4 Special Adjustments

Upon request of the Investor Limited Partner, the General Partner will immediately file an election under Section 754 of the Code and the corresponding Treasury Regulations on behalf of the Partnership to adjust the basis of the Partnership's assets under Section 734(b) or 743(b) and a corresponding election under the applicable sections of state and local law. In the event of a Transfer of all or any part of any Interest of a Partner, the Partnership shall elect, if requested by the transferee, to adjust the basis of Partnership assets pursuant to Section 754 of the Code (or corresponding provisions of succeeding law). Notwithstanding anything to the contrary contained in Article X, any such adjustment shall affect only the successor in interest to the transferring Partner. Each Partner will furnish the Partnership with all information necessary to give effect to such election.

Section 12.5 Fiscal Year

The Fiscal Year of the Partnership shall be the calendar year unless a different year is required by the Code.

ARTICLE XIII

GENERAL PROVISIONS

Section 13.1 Notices

Except as otherwise specifically provided herein, all notices, demands or other communications hereunder shall be in writing and deemed to have been given when the same are (i) deposited in the United States mail and sent by certified or registered mail, postage prepaid, (ii) deposited with Federal Express or similar overnight delivery service, (iii) transmitted by telecopier or other facsimile transmission, answerback requested, or (iv) delivered personally, in each case to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to the Partnership:

If to the Partnership, at the principal office of the Partnership set forth in Section 2.2, and if to a Partner, at its address set forth in the Schedule, with copies to with copies to Buchalter, A Professional Corporation 1000 Wilshire Blvd., Suite 1500, Los Angeles, California, 90017-2457, Attn: Michael A. Williamson, Esq. and Locke Lord LLP at 600 Congress Avenue, Suite 2200, Austin, Texas 78701, Attn: Cynthia Bast, Esq.

Section 13.2 Word Meanings

The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, unless the context otherwise requires. Any references to "Sections" or "Articles" are to Sections or Articles of this Agreement, unless reference is expressly made to a different document.

Section 13.3 Binding Provisions

The covenants and agreements contained herein shall be binding upon, and inure to the benefit of, the heirs, legal representatives, successors and assignees of the respective parties hereto, except in each case as expressly provided to the contrary in this Agreement. Subject to the preceding sentence, none of the provisions of this Agreement shall be for the benefit of any lender or any other Person who is not a Partner.

Section 13.4 Applicable Law

This Agreement shall be construed and enforced in accordance with the internal laws of the State, exclusive of its conflict of laws principles.

Section 13.5 Counterparts

This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

Section 13.6 Paragraph Titles

Paragraph titles and any table of contents herein are for descriptive purposes only, and shall not affect the meaning of this Agreement as set forth in the text.

Section 13.7 Separability of Provisions; Rights and Remedies

A. Each provision of this Agreement shall be considered separable and (i) if for any reason any provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid, or (ii) if for any reason any provisions herein would cause the Limited Partners to be bound by the obligations of the Partnership under the laws of the State as the same may now or hereafter exist, such provisions shall be deemed void and of no effect.

B. Each of the parties hereto irrevocably waives during the term of the Partnership (including any periods during which the business of the Partnership is required to be continued under Article VII) any right (i) that such party may have to maintain any action for partition with respect to the property of the Partnership, and (ii) to commence an action seeking dissolution of the Partnership (unless the Consent of the Investor Limited Partner has been obtained).

C. The rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any provisions hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention that the respective rights and obligations of the Partners shall be enforceable in equity as well as at law or otherwise.

D. Each Partner and each Guarantor irrevocably:

(i) agrees that any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby shall be brought in the courts of record of Guadalupe County of the State of Texas or the courts of the United States located in Central District of Texas;

(ii) consents to the jurisdiction of each such court in any such suit, action or proceeding;

(iii) waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any of such courts; and

(iv) waives its right to a jury trial with respect to any suit, action or other legal proceeding arising out of this Agreement, any of the Related Agreements or any of the transactions contemplated hereby or thereby.

Section 13.8 Effective Date of Admission

Any Partner admitted to the Partnership during any calendar month shall be deemed to have been admitted as of the first day of such calendar month for all purposes of this Agreement including the allocation of profits, losses and credits under Article X; *provided, however*, that if regulations are issued by the Service or an amendment to the Code is adopted which would require, in the opinion of the Accountants, that a Partner be deemed admitted on a date other than as of the first day of such month, then the General Partners shall select a permitted admission date which is most favorable to the Partner.

Section 13.9 Delivery of Certificate

Promptly upon the filing of the Certificate and each amendment thereto in the appropriate filing office, the General Partners shall deliver or mail a copy thereof to each Limited Partner.

Section 13.10 Additional Information

At the request of the Investor Limited Partner, the General Partners shall furnish to the Investor Limited Partner: (i) Plans and Specifications for the Project; (ii) copies of manuals, booklets and other documents describing the location and operation of all systems within the Project, including without limitation heating, air conditioning, elevator, electrical and plumbing systems; (iii) a list and copies of all agreements concerning the maintenance, operation and management of the Project; and (iv) such other information regarding the Partnership, the Project or the Related Agreements as the Investor Limited Partner may reasonably request.

Section 13.11 Further Documents and Actions

The Partners agree that they shall, from time to time, execute and deliver such further documents and do such further actions and things as may be reasonably requested by any other such party in order to effect fully the purposes of this Agreement and each other agreement or instrument identified on the Document Schedule.

Section 13.12 Brokers or Finders

The parties hereto agree that no broker or finder has any claim for commissions or fees in connection with the transaction embodied herein. The General Partners shall jointly and severally indemnify the Limited Partners against any brokers' or finders' fees or commissions claimed through the General Partners or their Affiliates in connection with the transactions contemplated hereby, including without limitation fees or commissions claimed by any syndicator or consultant engaged by the General Partners or any of their Affiliates. Fees payable to Bank of America, N.A. are not covered hereby.

Section 13.13 Amendment

This Agreement may only be amended in writing signed by all General Partners, the Investor Limited Partner and the Special Limited Partner. All parties agree that no oral agreements or course of conduct of the parties shall be deemed to be an amendment to this Agreement unless in writing signed as described above.

Section 13.14 Publicity Rights

At the Investor Limited Partner's request, but at the expense of the Partnership, the General Partner will place a sign at a location on the Property satisfactory to the Investor Limited Partner, which sign will recite, among other things, that Bank of America, N.A. is the investor limited partner in the Partnership. The General Partner expressly authorizes the Investor Limited Partner to prepare and to furnish to the news media for publication from time to time news releases with respect to the Property, specifically to include releases detailing Bank of America, N.A.'s involvement with the Property. Bank of America, N.A. may feature the Project in a series of marketing materials that may be distributed both inside and outside of Bank of America, N.A.. These materials may include the names of the General Partner, the Developer, the Guarantor, or the Project sponsor, a description of the Property type, its features, and its impact on the community, the size of the Project, in terms of both the units produced and the development costs, the Bank of America, N.A. products/services utilized in undertaking the Project (including amounts), and pictures and renderings of the Project. The General Partner and its Affiliates irrevocably grant to the Investor Limited Partner and its Affiliates the right to use, publish, produce, copyright, and to distribute to the public from time to time, in various forms of promotional materials, any information obtained by the Investor Limited Partner concerning the General Partner (excluding, however, financial information regarding the General Partner, the Guarantor, and Project sponsor, or other information of a sensitive nature that reasonable parties would agree is not suitable for public distribution), its name, projects financed in whole or in part by Bank of America, N.A., and any financial relationships or transactions entered into between the General Partner and Bank of America, N.A. or its Affiliates, specifically including photographs or images of the Project, whether or not such information, photographs or images are provided by or on behalf of the General Partner. The General Partner hereby releases any and all interest it may now or hereafter have in such promotional materials and any information, photographs or images used in connection therewith.

ARTICLE XIV

ANTI-BRIBERY/ANTI-CORRUPTION

Section 14.1 Anti-Bribery/Anti-Corruption Representations and Warranties.

A. The General Partner is aware of the U.S. Foreign Corrupt Practices Act of 1977, as amended (“FCPA”), and any other relevant regulations, and understands its relevance in the transaction to Bank of America, N.A.. Bank of America, N.A. is committed to strict compliance to all requirements both in the letter and spirit of all relevant laws. General Partner therefore makes the following representations and warranties in connection with the transaction or activity:

B. Familiarity and compliance with Bribery & Corruption prohibitions. The General Partner represents and warrants that it is familiar with the FCPA and/or other relevant bribery and/or corruption laws or regulations and its purposes, including its prohibition against taking corrupt or improper actions in furtherance of an offer, payment, promise to pay or authorization of the payment of anything of value, including but not limited to cash, checks, wire transfers, tangible and intangible gifts, favors, services, and those entertainment, travel expenses or any other financial advantage that goes beyond what is legal, reasonable and customary and of modest value, to:

- (i) an executive, official, employee or agent of a governmental department, agency or instrumentality;
- (ii) a director, officer, employee or agent of a wholly or partially government-owned or government-controlled entity;
- (iii) a political party or official thereof, or candidate for political office;
- (iv) an executive, official, employee or agent of a public international organization (e.g., the International Monetary Fund or the World Bank); or
- (v) any other person, entity or party,

while knowing or having a reasonable belief that all or some portion of the financial or other advantage will be used for the purpose of:

- (a) influencing any act, decision or failure to act by a person in his or her private or official capacity;
- (b) inducing a person to use his or her influence or instrumentality to affect any act or decision; or
- (c) offering, requesting or securing an improper or illegal advantage; in order to obtain, retain, direct business or any other advantage.

C. Subsequently identified bribery and corruption laws or regulatory concerns. The parties will meet promptly, as appropriate, in light of a potential bribery or corruption concern

being identified, discovered, or disclosed as the result of an ongoing or pending investigation conducted by federal, state or municipal authorities. If, after consultation by all parties to the transaction, any such bribery or corruption concern cannot be resolved in the good faith and reasonable judgment of Bank of America, N.A., then Bank of America, N.A., on written notice to General Partner, may withdraw from or terminate this agreement without penalty.

D. Non-Government Employees. Each General Partner represents (for itself only) that none of its officers, directors, senior managers, partners, owners, or principals are Government Employees.

Under Bank of America, N.A. policy, a Government Employee includes:

- Any officers and employees, regardless of rank, of a branch of government, whether national, state, provincial or local/municipal;
- Governmental departments, ministries and agencies;
- Judiciary;
- Public Hospitals;
- Central Bank officials and employees;
- Pension funds or systems;
- Sovereign Wealth Funds and employees;
- Customs Officials;
- Officers and employees of a wholly or partially Government-owned or Government-controlled entity;
- Officers and employees of a public international organization;
- Officers and employees of Self-Regulatory Organizations (SROs);
- Political parties and their officers or employees;
- Individuals acting in an official capacity or on behalf of any government or public international organization (e.g., an official advisor to the government);
- Candidates for political office and the official campaign staff of such candidates;
- Members of a ruling monarchical or royal family;
- Close family members or close associates (e.g. key advisors) of Government Employees as defined above.

Each General Partner agrees that if any of its officers, directors, senior managers, partners, owners, or principals becomes a Government Employee (prior to the completion of this transaction or during the relationship), then such General Partner will promptly notify Bank of America, N.A. in writing. On receipt of a written notice, the Parties will consult together to address possible issues of compliance with the FCPA and or other relevant bribery and corruption laws and regulations and determine whether those issues can be satisfactorily resolved. If, after consultation, any such issues cannot be resolved in the good faith and reasonable judgment of Bank of America, N.A., then Bank of America, N.A., on written notice to General Partner, may withdraw from or terminate this agreement without penalty.

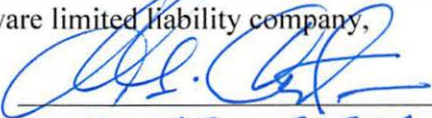
E. Previous or pending violations. Each General Partner (for itself only) warrants that it has not breached any local bribery and corruption requirements, unless these have been fully disclosed to the Bank, and that it has no reason to suspect any investigation is (or is about) to take place by any regulator or law enforcement authority in relation to its (or its officers, agents or otherwise) activities in any jurisdiction in relation to bribery and or corruption violations unless these have been fully disclosed to the Bank.

F. Role of Government Employee. Each General Partner (for itself only) represents and warrants that no Government Employee who is an officer, director, senior manager, partner, owner, principal or investor of such General Partner has been involved on behalf of a Government in decisions as to whether such General Partner or Bank of America, N.A. would be awarded business or that otherwise could benefit General Partner or Bank of America, N.A., or in the appointment, promotion, or compensation of persons who will make such decisions. Each General Partner (for itself only) further represents and warrants that no such Government Employee will use their Government positions to influence acts or decisions of a Government for the benefit of such General Partner or Bank of America, N.A. or any other linked person(s). Each General Partner (for itself only) further represents and warrants that such Government Employees will not meet or communicate with Government Employees on behalf of the General Partner or Bank of America, N.A. without advising such General Partner in writing in advance of such meeting or communication, and such General Partner will promptly provide such writing to Bank of America, N.A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

MANAGING GENERAL PARTNER: **HIGHRIDGE COSTA HOUSING, LLC**, a
Delaware limited liability company,

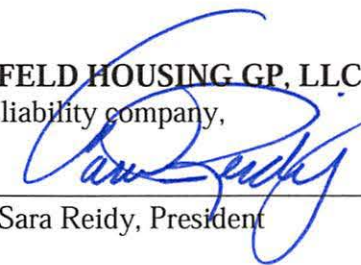
By: 
Name: MICHAEL COSTA
Title: CEO

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

ADMINISTRATIVE
GENERAL PARTNER:

BORGFELD HOUSING GP, LLC, a Texas
limited liability company,

By:



Sara Reidy, President

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

INVESTOR LIMITED PARTNER:

BANK OF AMERICA, N.A.,
a national banking association

By:



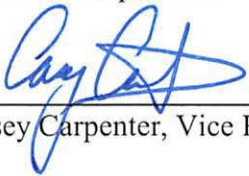
Casey Carpenter, Vice President

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

SPECIAL LIMITED PARTNER:

**BANC OF AMERICA CDC SPECIAL
HOLDING COMPANY, INC.,**
a North Carolina corporation

By:



Casey Carpenter, Vice President

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal as of the day and year first above written.

WITHDRAWING LIMITED PARTNER:

VICTORIA CAPITAL, LLC,
a California limited liability company

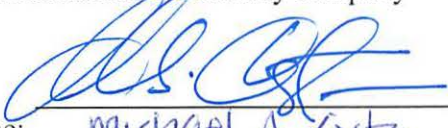
By: 
Name: Michael A. Costa
Title: President

Exhibit A

BORGFELD HOUSING, LP

SCHEDULE OF PARTNERS

As of April 26, 2017

<u>Name and Business Address</u>	<u>Capital Contributions</u>	<u>Percentage of Partnership Interests for Class</u>
<u>GENERAL PARTNERS:</u>		
Highridge Costa Housing, LLC 330 West Victoria Gardena, CA 90248-3527 (424) 258-2800 (Telephone No.) (424) 258-2801 (Fax No.)	\$100	0.0055%
Borgfeld Housing GP, LLC c/o Casa Linda Affordable Housing, LLC 2010 Kessler Parkway Dallas, TX 75208 (214) 941-0090 (Telephone No.) (888) 811-2360 (Fax No.)	\$100	0.0045%
<u>INVESTOR LIMITED PARTNER:</u>		
Bank of America, N.A. La Costa BC 7700 El Camino Real CA0-222-02-02 Carlsbad, CA 92009-8506 (760) 697-9037 (Telephone No.) (415) 343-6755 (Fax No.)	\$14,773,524*	99.98%
<u>SPECIAL LIMITED PARTNER:</u>		
Banc of America CDC Special Holding Company, Inc. La Costa BC 7700 El Camino Real CA0-222-02-02 Carlsbad, CA 92009-8506 (760) 697-9037 (Telephone No.) (415) 343-6755 (Fax No.)	\$0	0.01%



200 South Main Street, P.O. Box 826, Cibolo, Texas 78108
Phone: (210) 658-9900 Fax: (210) 658-1687
www.cibolotx.gov

February 8, 2016

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

RE: Borgfeld Manor TDHCA #16128 - Commitment of Development Funding by City of Cibolo Economic Development Corporation.

Dear Mr. Irvine:

This letter serves as confirmation to the City of Cibolo's commitment of Development Funding for the 2016 9% Housing Tax Credit application, Borgfeld Manor #16128 in Cibolo, Texas. The Cibolo Economic Development Corporation is an instrumentality of the City with jurisdiction over the proposed site. On January 21, 2016, the Cibolo Economic Development Corporation Board of Directors of which 100% of its Directors are appointed by the City Council voted unanimously to support the proposed Elderly Development and provide \$250.00 in the form of a grant for the benefit of the development. (See attached Resolution #2016001).

As the City of Cibolo's Economic Development Corporation Director, I am authorized to provide this letter to you as required in the 2016 Qualified Allocation Plan. Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Mark Luft". The signature is written in a cursive, flowing style.

Mark Luft
City of Cibolo Economic Development Corporation Director

Attachment CEDC Resolution No. 2016001

C: Moe Mohanna, Highridge Costa Development Company, LLC
Linda S. Brown, Casa Linda Development Corporation



200 South Main Street, P.O. Box 826, Cibolo, Texas 78108
Phone: (210) 658-9900 Fax: (210) 658-1687
www.cibolotx.gov

RESOLUTION

NO. 2016001

A RESOLUTION OF THE CITY OF CIBOLO ECONOMIC DEVELOPMENT CORPORATION PROVIDING FOR A FINANCIAL COMMITMENT OF DEVELOPMENT FUNDING FOR A PROPOSED AFFORDABLE ELDERLY DEVELOPMENT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Cibolo benefits from the availability of Elderly affordable housing for its residents of lower economic means; and

WHEREAS, Borgfeld Housing, L.P. (to be formed) and its affiliates (the "Applicant") propose to build an affordable Elderly Development, Borgfeld Manor (the "Affordable Housing"), in the City of Cibolo to be located at the NW corner of W. Borgfeld Road and Dobie Blvd and is named "Borgfeld Manor"; and

WHEREAS, §11.9(d)(2) of the 2016 Qualified Allocation Plan, in accordance with the Texas Department of Housing and Community Affairs (TDHCA) rules governing the competitive housing tax credit program, provides for an applicant to be awarded one (1) point for a commitment of Development funding from the city or other instrumentality with jurisdiction over the proposed Development; and

WHEREAS, 100% of the City of Cibolo Economic Development Corporation Board is appointed by the Cibolo City Council and is a local municipal instrumentality with jurisdiction over the proposed Development site and has determined that Borgfeld Housing, L.P. is eligible for a commitment of Development funding; and

WHEREAS, the Applicant submitted a pre-application and intends to submit a final application for financing for the Affordable Housing, including 2016 9% Competitive Low Income Housing Tax Credits ("Tax Credits") from TDHCA;

NOW, THEREFORE, BE IT RESOLVED

SECTION ONE. The City of Cibolo Economic Development Corporation hereby commits \$250.00 in the form of a grant for the development and construction of the Affordable Housing and authorizes the City of Cibolo's Economic Development Director to provide TDHCA with a letter confirming this commitment to the Applicant.

SECTION TWO. The City of Cibolo Economic Development Corporation hereby supports the Applicant's application for Tax Credits to the TDHCA and supports an award of Tax

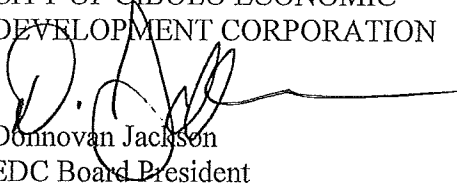
Credits for the Affordable Housing pursuant to the 2016 Qualified Allocation Plan of the Texas Department of Housing and Community Affairs.

SECTION THREE. The City of Cibolo Economic Development Corporation is not a Related Party to the Applicant and has not received the funds by the Applicant or a Related Party to the Applicant.


SECTION FOUR. This Resolution was READ, CONSIDERED, PASSED AND APPROVED at a regular meeting of the City of Cibolo Economic Development Corporation at which a quorum was present. This Resolution shall become effective immediately upon its passage.

PASSED AND APPROVED this 21 day of January, 2016 at a Regular Meeting of the Board of Directors of the City of Cibolo Economic Development Corporation.

CITY OF CIBOLO ECONOMIC
DEVELOPMENT CORPORATION


Donovan Jackson
EDC Board President

ATTEST:


Peggy Cimics, TRMC
City Secretary



November 30, 2018

Andrew Sinnott
Multifamily Direct Loan Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701

RE: TDHCA #18509 El Sereno Senior Apartments – Request for Funding Under TDHCA MDL NOFA (3rd Amendment)

Dear Mr. Sinnott,

This is to confirm that Highridge Costa Housing is committed to provide \$61,960 in Direct Loan Match funds at a rate consistent with long term AFR and for a term equal to the existing General Partner Advance.

Please direct any questions to Simon Fraser, Project Manager, at 424-258-2914 or simon.fraser@housingpartners.com.

Sincerely,

Mohannad H. Mohanna
Its Managing Member

MULTIFAMILY LOAN AND SECURITY AGREEMENT

(NON-RECOURSE)

BY AND BETWEEN

BORGFELD HOUSING, LP

AND

BANK OF AMERICA, N.A.

DATED AS OF

[DATE]

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**MULTIFAMILY LOAN AND SECURITY AGREEMENT
(Non-Recourse)**

This MULTIFAMILY LOAN AND SECURITY AGREEMENT (as amended, restated, replaced, supplemented, or otherwise modified from time to time, the “**Loan Agreement**”) is made as of the Effective Date (as hereinafter defined) by and between BORGFELD HOUSING, LP, a Texas limited partnership (“**Borrower**”), and BANK OF AMERICA, N.A., a national banking association (together with its successors and/or assigns, “**Lender**”).

RECITALS:

WHEREAS, Borrower desires to obtain the Mortgage Loan (as hereinafter defined) from Lender to be secured by the Mortgaged Property (as hereinafter defined); and

WHEREAS, Lender is willing to make the Mortgage Loan on the terms and conditions contained in this Loan Agreement and in the other Loan Documents (as hereinafter defined);

NOW, THEREFORE, in consideration of the making of the Mortgage Loan by Lender and other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereby covenant, agree, represent, and warrant as follows:

AGREEMENTS:

**ARTICLE 1
DEFINITIONS; SUMMARY OF MORTGAGE LOAN TERMS**

Section 1.01 Defined Terms.

Capitalized terms not otherwise defined in the body of this Loan Agreement shall have the meanings set forth in the Definitions Schedule attached as Schedule 1 to this Loan Agreement.

Section 1.02 Schedules, Exhibits, and Attachments Incorporated.

The schedules, exhibits, and any other addenda or attachments are incorporated fully into this Loan Agreement by this reference and each constitutes a substantive part of this Loan Agreement.

ARTICLE 2
GENERAL MORTGAGE LOAN TERMS

Section 2.01 Mortgage Loan Origination and Security.

(a) Making of Mortgage Loan.

Subject to the terms and conditions of this Loan Agreement and the other Loan Documents, Lender hereby makes the Mortgage Loan to Borrower, and Borrower hereby accepts the Mortgage Loan from Lender. Borrower covenants and agrees that it shall:

(1) pay the Indebtedness, including the Prepayment Premium, if any (whether in connection with any voluntary prepayment or in connection with an acceleration by Lender of the Indebtedness), in accordance with the terms of this Loan Agreement and the other Loan Documents; and

(2) perform, observe, and comply with this Loan Agreement and all other provisions of the other Loan Documents.

(b) Security for Mortgage Loan.

The Mortgage Loan is made pursuant to this Loan Agreement, is evidenced by the Note, and is secured by the Security Instrument, this Loan Agreement, and the other Loan Documents that are expressly stated to be security for the Mortgage Loan.

(c) Protective Advances.

As provided in the Security Instrument, Lender may take such actions or disburse such funds as Lender reasonably deems necessary to perform the obligations of Borrower under this Loan Agreement and the other Loan Documents and to protect Lender's interest in the Mortgaged Property.

Section 2.02 Payments on Mortgage Loan.

(a) Debt Service Payments.

(1) Short Month Interest.

If the date the Mortgage Loan proceeds are disbursed is any day other than the first day of the month, interest for the period beginning on the disbursement date and ending on and including the last day of the month in which the disbursement occurs shall be payable by Borrower on the date the Mortgage Loan proceeds are disbursed. In the event that the disbursement date is not the same as the Effective Date, then:

(A) the disbursement date and the Effective Date must be in the same month, and

(B) the Effective Date shall not be the first day of the month.

(2) **Interest Accrual and Computation.**

Except as provided in Section 2.02(a)(1), interest shall be paid in arrears. Interest shall accrue as provided in the Schedule of Interest Rate Type Provisions and shall be computed in accordance with the Interest Accrual Method. As the Interest Accrual Method is “**Actual/360**,” Borrower acknowledges and agrees that the amount allocated to interest for each month will vary depending on the actual number of calendar days during such month.

(3) **Monthly Debt Service Payments.**

Consecutive monthly debt service installments (comprised of either interest only or principal and interest, depending on the Amortization Type), each in the amount of the applicable Monthly Debt Service Payment, shall be due and payable on the First Payment Date, and on each Payment Date thereafter until the Maturity Date, at which time all Indebtedness shall be due. Any regularly scheduled Monthly Debt Service Payment that is received by Lender before the applicable Payment Date shall be deemed to have been received on such Payment Date solely for the purpose of calculating interest due. All payments made by Borrower under this Loan Agreement shall be made without set-off, counterclaim, or other defense.

(4) **Payment at Maturity.**

The unpaid principal balance of the Mortgage Loan, any Accrued Interest thereon and all other Indebtedness shall be due and payable on the Maturity Date.

(5) **Interest Rate Type.**

See the Schedule of Interest Rate Type Provisions for additional provisions, if any, specific to the Interest Rate Type.

(b) **Capitalization of Accrued But Unpaid Interest.**

Any accrued and unpaid interest on the Mortgage Loan remaining past due for thirty (30) days or more may, at Lender’s election, be added to and become part of the unpaid principal balance of the Mortgage Loan.

(c) **Late Charges.**

(1) If any Monthly Debt Service Payment due hereunder is not received by Lender within ten (10) days after the applicable Payment Date, or any amount payable under this Loan Agreement (other than the payment due on the Maturity Date for repayment of the Mortgage Loan in full) or any other Loan Document is not received by Lender within ten (10) days after the date such amount is due, inclusive of the date on which such amount is due, Borrower shall pay to Lender, immediately without demand by Lender, the Late Charge.

The Late Charge is payable in addition to, and not in lieu of, any interest payable at the Default Rate pursuant to Section 2.02(d).

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan;

(B) it is extremely difficult and impractical to determine those additional expenses;

(C) Lender is entitled to be compensated for such additional expenses; and

(D) the Late Charge represents a fair and reasonable estimate, taking into account all circumstances existing on the date hereof, of the additional expenses Lender will incur by reason of any such late payment.

(d) Default Rate.

(1) Default interest shall be paid as follows:

(A) If any amount due in respect of the Mortgage Loan (other than amounts due on the Maturity Date) remains past due beyond the calendar month in which such amount was due, interest on such unpaid amount(s) shall accrue from the date payment is due at the Default Rate and shall be payable upon demand by Lender.

(B) If any Indebtedness due is not paid in full on the Maturity Date, then interest shall accrue at the Default Rate on all such unpaid amounts from the Maturity Date until fully paid and shall be payable upon demand by Lender.

Absent a demand by Lender, any such amounts shall be payable by Borrower in the same manner as provided for the payment of Monthly Debt Service Payments. To the extent permitted by applicable law, interest shall also accrue at the Default Rate on any judgment obtained by Lender against Borrower in connection with the Mortgage Loan.

(2) Borrower acknowledges and agrees that:

(A) its failure to make timely payments will cause Lender to incur additional expenses in servicing and processing the Mortgage Loan; and

(B) in connection with any failure to timely pay all amounts due in respect of the Mortgage Loan on the Maturity Date, or during the time that any amount due in respect of the Mortgage Loan is delinquent beyond the calendar month in which such amount is due:

(i) Lender's risk of nonpayment of the Mortgage Loan will be materially increased;

(ii) Lender's ability to meet its other obligations and to take advantage of other investment opportunities will be adversely impacted;

(iii) Lender will incur additional costs and expenses arising from its loss of the use of the amounts due;

(iv) it is extremely difficult and impractical to determine such additional costs and expenses;

(v) Lender is entitled to be compensated for such additional risks, costs, and expenses; and

(vi) the increase from the Interest Rate to the Default Rate represents a fair and reasonable estimate of the additional risks, costs, and expenses Lender will incur by reason of Borrower's delinquent payment and the additional compensation Lender is entitled to receive for the increased risks of nonpayment associated with a delinquency on the Mortgage Loan (taking into account all circumstances existing on the Effective Date).

(e) Method for Payments.

The Borrower shall allow the Lender, via the Automated Clearing House (ACH) system, to initiate all regular monthly payments of principal, interest and escrow (when applicable) on Borrower's behalf.

(f) Application of Payments.

If at any time Lender receives, from Borrower or otherwise, any payment in respect of the Indebtedness that is less than all amounts due and payable at such time, then Lender may apply such payment to amounts then due and payable in any manner and in any order determined by Lender or hold in suspense and not apply such payment at Lender's election. Neither Lender's acceptance of a payment that is less than all amounts then due and payable, nor Lender's application of, or suspension of the application of, such payment, shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such payment to the Indebtedness, Borrower's obligations under this Loan Agreement and the other Loan Documents shall remain unchanged.

Section 2.03 Lockout/Prepayment.

(a) Prepayment; Prepayment Lockout; Prepayment Premium.

(1) Borrower shall not make a voluntary full or partial prepayment on the Mortgage Loan during any Prepayment Lockout Period nor shall Borrower make a voluntary partial prepayment at any time. Except as expressly provided in this Loan Agreement (including as provided in the Prepayment Premium Schedule), a Prepayment Premium calculated in accordance with the Prepayment Premium Schedule shall be payable in connection with any prepayment of the Mortgage Loan.

(2) If a Prepayment Lockout Period applies to the Mortgage Loan, and during such Prepayment Lockout Period Lender accelerates the unpaid principal balance of the Mortgage Loan or otherwise applies collateral held by Lender to the repayment of any portion of the unpaid principal balance of the Mortgage Loan, the Prepayment Premium shall be due and payable and equal to the amount obtained by multiplying the percentage indicated (if at all) in the Prepayment Premium Schedule by the amount of principal being prepaid at the time of such acceleration or application.

(b) Voluntary Prepayment in Full.

At any time after the expiration of any Prepayment Lockout Period, Borrower may voluntarily prepay the Mortgage Loan in full on a Permitted Prepayment Date so long as:

(1) Borrower delivers to Lender a Prepayment Notice specifying the Intended Prepayment Date not more than sixty (60) days, but not less than thirty (30) days (if given via U.S. Postal Service) or twenty (20) days (if given via facsimile, e-mail, or overnight courier) prior to such Intended Prepayment Date; and

(2) Borrower pays to Lender an amount equal to the sum of:

(A) the entire unpaid principal balance of the Mortgage Loan; plus

(B) all Accrued Interest (calculated through the last day of the month in which the prepayment occurs); plus

(C) the Prepayment Premium; plus

(D) all other Indebtedness.

In connection with any such voluntary prepayment, Borrower acknowledges and agrees that, at Lender's option, interest shall always be calculated and paid through the last day of the month in which the prepayment occurs (even if the Permitted Prepayment Date for such month is not the last day of such month, or if Lender approves prepayment on an Intended Prepayment Date that is not a Permitted Prepayment Date). If Borrower fails to prepay the Mortgage Loan on the Intended Prepayment Date for any reason (including on any Intended Prepayment Date that is approved by Lender) and such failure either continues for five (5) Business Days, or into the following month, Lender shall have the right to recalculate the payoff amount. If Borrower prepays the Mortgage Loan either in the following month or more than five (5) Business Days after the Intended Prepayment Date that was approved by Lender, Lender shall also have the right to recalculate the payoff amount based upon the amount of such payment and the date such payment was received by Lender. Borrower shall immediately pay to Lender any additional amounts required by any such recalculation.

(c) Acceleration of Mortgage Loan.

Upon acceleration of the Mortgage Loan, Borrower shall pay to Lender:

(1) the entire unpaid principal balance of the Mortgage Loan;

(2) all Accrued Interest (calculated through the last day of the month in which the acceleration occurs);

(3) the Prepayment Premium; and

(4) all other Indebtedness.

(d) Application of Collateral.

Any application by Lender of any collateral or other security to the repayment of all or any portion of the unpaid principal balance of the Mortgage Loan prior to the Maturity Date in accordance with the Loan Documents shall be deemed to be a prepayment by Borrower. Any such prepayment shall require the payment to Lender by Borrower of the Prepayment Premium calculated on the amount being prepaid in accordance with this Loan Agreement.

(e) Casualty and Condemnation.

Notwithstanding any provision of this Loan Agreement to the contrary, no Prepayment Premium shall be payable with respect to any prepayment occurring as a result of the application of any insurance proceeds or amounts received in connection with a Condemnation Action in accordance with this Loan Agreement.

(f) No Effect on Payment Obligations.

Unless otherwise expressly provided in this Loan Agreement, any prepayment required by any Loan Document of less than the entire unpaid principal balance of the Mortgage Loan shall not extend or postpone the due date of any subsequent Monthly Debt Service Payments, Monthly Replacement Reserve Deposit, or other payment, or change the amount of any such payments or deposits.

(g) Loss Resulting from Prepayment.

In any circumstance in which a Prepayment Premium is due under this Loan Agreement, Borrower acknowledges that:

(1) any prepayment of the unpaid principal balance of the Mortgage Loan, whether voluntary or involuntary, or following the occurrence of an Event of Default by Borrower, will result in Lender's incurring loss, including reinvestment loss, additional risk, expense, and frustration or impairment of Lender's ability to meet its commitments to third parties;

(2) it is extremely difficult and impractical to ascertain the extent of such losses, risks, and damages;

(3) the formula for calculating the Prepayment Premium represents a reasonable estimate of the losses, risks, and damages Lender will incur as a result of a prepayment; and

(4) the provisions regarding the Prepayment Premium contained in this Loan Agreement are a material part of the consideration for the Mortgage Loan, and that the terms of the Mortgage Loan are in other respects more favorable to Borrower as a result of Borrower's voluntary agreement to such prepayment provisions.

ARTICLE 3 PERSONAL LIABILITY

Section 3.01 Non-Recourse Mortgage Loan; Exceptions.

Except as otherwise provided in this Article 3 or in any other Loan Document, none of Borrower, or any director, officer, manager, member, partner, shareholder, trustee, trust beneficiary, or employee of Borrower, shall have personal liability under this Loan Agreement or any other Loan Document for the repayment of the Indebtedness or for the performance of any other obligations of Borrower under the Loan Documents, and Lender's only recourse for the satisfaction of such Indebtedness and the performance of such obligations shall be Lender's exercise of its rights and remedies with respect to the Mortgaged Property and any other collateral held by Lender as security for the Indebtedness. This limitation on Borrower's liability shall not limit or impair Lender's enforcement of its rights against Guarantor under any Loan Document.

Section 3.02 Personal Liability of Borrower (Exceptions to Non-Recourse Provision).

(a) Personal Liability Based on Lender's Loss.

Borrower shall be personally liable to Lender for the repayment of the portion of the Indebtedness equal to any loss or damage suffered by Lender as a result of, subject to any notice and cure period, if any:

(1) failure to pay as directed by Lender upon demand after an Event of Default (to the extent actually received by Borrower):

(A) all Rents to which Lender is entitled under the Loan Documents;
and

(B) the amount of all security deposits then held or thereafter collected by Borrower from tenants and not properly applied pursuant to the applicable Leases;

(2) failure to maintain all insurance policies required by the Loan Documents, except to the extent Lender has the obligation to pay the premiums pursuant to Section 12.03(c);

(3) failure to apply all insurance proceeds received by Borrower or any amounts received by Borrower in connection with a Condemnation Action, as required by the Loan Documents;

(4) Intentionally Omitted;

(5) except to the extent directed otherwise by Lender pursuant to Section 3.02(a)(1), failure to apply Rents to the ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts, as and when each is due and payable, except that Borrower will not be personally liable with respect to Rents that are distributed by Borrower in any calendar year if Borrower has paid all ordinary and necessary expenses of owning and operating the Mortgaged Property and Debt Service Amounts for such calendar year;

(6) waste or abandonment of the Mortgaged Property; or

(7) grossly negligent or reckless unintentional material misrepresentation or omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender.

Notwithstanding the foregoing, Borrower shall not have personal liability under clauses (1), (3), or (5) above to the extent that Borrower lacks the legal right to direct the disbursement of the applicable funds due to an involuntary Bankruptcy Event that occurs without the consent, encouragement, or active participation of (A) Borrower, Guarantor, or Key Principal, (B) any Person Controlling Borrower, Guarantor, or Key Principal or (C) any Person Controlled by or under common Control with Borrower, Guarantor, or Key Principal.

(b) Full Personal Liability for Mortgage Loan.

Borrower shall be personally liable to Lender for the repayment of all of the Indebtedness, and the Mortgage Loan shall be fully recourse to Borrower, upon the occurrence of any of the following:

(1) failure by Borrower to comply with the single-asset entity requirements of Section 4.02(d) of this Loan Agreement;

(2) a Transfer (other than a conveyance of the Mortgaged Property at a Foreclosure Event pursuant to the Security Instrument and this Loan Agreement) that is not permitted under this Loan Agreement or any other Loan Document;

(3) the occurrence of any Bankruptcy Event (other than an acknowledgement in writing as described in clause (b) of the definition of “**Bankruptcy Event**”); provided, however, in the event of an involuntary Bankruptcy Event, Borrower shall only be personally liable if such involuntary Bankruptcy Event occurs with the consent, encouragement, or active participation of (A) Borrower, Guarantor, or Key Principal, (B) any Person Controlling Borrower, Guarantor, or Key Principal, or (C) any Person Controlled by or under common Control with Borrower, Guarantor, or Key Principal;

(4) fraud, written material misrepresentation, or material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with any application for or creation of the Indebtedness; or

(5) fraud, written intentional material misrepresentation, or intentional material omission by Borrower, Guarantor, Key Principal, or any officer, director, partner, manager, member, shareholder, or trustee of Borrower, Guarantor, or Key Principal in connection with on-going financial or other reporting required by the Loan Documents, or any request for action or consent by Lender.

Section 3.03 Personal Liability for Indemnity Obligations.

Borrower shall be personally and fully liable to Lender for Borrower's indemnity obligations under Section 13.01(e) of this Loan Agreement, the Environmental Indemnity Agreement, and any other express indemnity obligations provided by Borrower under any Loan Document. Borrower's liability for such indemnity obligations shall not be limited by the amount of the Indebtedness, the repayment of the Indebtedness, or otherwise, provided that Borrower's liability for such indemnities shall not include any loss caused by the gross negligence or willful misconduct of Lender as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

Section 3.04 Lender's Right to Forego Rights Against Mortgaged Property.

To the extent that Borrower has personal liability under this Loan Agreement or any other Loan Document, Lender may exercise its rights against Borrower personally to the fullest extent permitted by applicable law without regard to whether Lender has exercised any rights against the Mortgaged Property, the UCC Collateral, or any other security, or pursued any rights against Guarantor, or pursued any other rights available to Lender under this Loan Agreement, any other Loan Document, or applicable law. For purposes of this Section 3.04 only, the term "**Mortgaged Property**" shall not include any funds that have been applied by Borrower as required or permitted by this Loan Agreement prior to the occurrence of an Event of Default, or that Borrower was unable to apply as required or permitted by this Loan Agreement because of a Bankruptcy Event. To the fullest extent permitted by applicable law, in any action to enforce Borrower's personal liability under this Article 3, Borrower waives any right to set off the value of the Mortgaged Property against such personal liability.

Section 3.05 General Indemnification.

The Borrower shall indemnify, defend and hold the Lender (together with its officers, directors and employees) harmless against: (i) any and all claims for finder's or similar fees which may be made relating to the Mortgaged Property or the Indebtedness, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits costs and expenses (including the Lender's reasonable attorneys' fees, costs and expenses, together with reasonable appellate counsel fees, costs and expenses, if any) of whatever kind or nature which may be asserted against, imposed on or incurred by the Lender in connection with the Indebtedness, this Loan Agreement, the Loan Documents, the Mortgaged Property or any part thereof, or the operation, maintenance and/or use Lender of any rights or remedies granted to it under the Loan Documents or pursuant to applicable law; provided, however, that nothing herein shall be construed to obligate the Borrower to indemnify, defend and hold harmless the Lender from and against any of the foregoing which is imposed on or incurred by the Lender by reason of the Lender's willful misconduct or gross negligence.

**ARTICLE 4
BORROWER STATUS**

Section 4.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 4.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Due Organization and Qualification.

Borrower is validly existing and qualified to transact business and is in good standing in the state in which it is formed or organized, the Property Jurisdiction, and in each other jurisdiction that qualification or good standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to be so qualified or in good standing would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability or the ability of Borrower to perform its obligations under this Loan Agreement or any other Loan Document.

(b) Location.

Borrower's General Business Address is Borrower's principal place of business and principal office.

(c) Power and Authority.

Borrower has the requisite power and authority:

(1) to own the Mortgaged Property and to carry on its business as now conducted and as contemplated to be conducted in connection with the performance of its obligations under this Loan Agreement and under the other Loan Documents to which it is a party; and

(2) to execute and deliver this Loan Agreement and the other Loan Documents to which it is a party, and to carry out the transactions contemplated by this Loan Agreement and the other Loan Documents to which it is a party.

(d) Due Authorization.

The execution, delivery, and performance of this Loan Agreement and the other Loan Documents to which it is a party have been duly authorized by all necessary action and proceedings by or on behalf of Borrower, and no further approvals or filings of any kind, including any approval of or filing with any Governmental Authority, are required by or on behalf of Borrower as a condition to the valid execution, delivery, and performance by Borrower of this Loan Agreement or any of the other Loan Documents to which it is a party, except filings required to perfect and maintain the liens to be granted under the Loan Documents and routine filings to maintain good standing and its existence.

(e) Valid and Binding Obligations.

This Loan Agreement and the other Loan Documents to which it is a party have been duly executed and delivered by Borrower and constitute the legal, valid, and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as such enforceability may be limited by applicable Insolvency Laws or by the exercise of discretion by any court.

(f) Effect of Mortgage Loan on Borrower's Financial Condition.

The Mortgage Loan will not render Borrower Insolvent. Borrower has sufficient working capital, including proceeds from the Mortgage Loan, cash flow from the Mortgaged Property, or other sources, not only to adequately maintain the Mortgaged Property, but also to pay all of Borrower's outstanding debts as they come due, including all Debt Service Amounts, exclusive of Borrower's ability to refinance or pay in full the Mortgage Loan on the Maturity Date. In connection with the execution and delivery of this Loan Agreement and the other Loan Documents (and the delivery to, or for the benefit of, Lender of any collateral contemplated thereunder), and the incurrence by Borrower of the obligations under this Loan Agreement and the other Loan Documents, Borrower did not receive less than reasonably equivalent value in exchange for the incurrence of the obligations of Borrower under this Loan Agreement and the other Loan Documents.

(g) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) None of Borrower, Guarantor, or Key Principal, nor to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, nor any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is in violation of any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) None of Borrower, Guarantor, or Key Principal, nor to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, nor any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.01(g)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or economic sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.01(g)(1); or

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity,

regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law.

(3) Borrower, Guarantor, and Key Principal are in compliance with all applicable economic sanctions laws administered by OFAC, the United States Department of State, or the United States Department of Commerce.

(h) Borrower Single Asset Status.

Borrower:

(1) does not own or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) does not own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) has no material financial obligation under or secured by any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party, or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property) that (i) are not evidenced by a promissory note, (ii) are payable within sixty (60) days of the date incurred, and (iii) as of the Effective Date, do not exceed, in the aggregate, four percent (4%) of the original principal balance of the Mortgage Loan;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate; and

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(4) has maintained its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person;

(5) has not commingled its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(6) has been adequately capitalized in light of its contemplated business operations;

(7) has not assumed, guaranteed, or pledged its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument), or held out its credit as being available to satisfy the obligations of any other Person;

(8) has not made loans or advances to any other Person; and

(9) has not entered into, and is not a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party.

(i) No Bankruptcies or Judgments.

None of Borrower, Guarantor, or Key Principal, nor to Borrower's knowledge, any Person Controlling Borrower, Guarantor, or Key Principal, nor any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, is currently:

(1) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership or other insolvency proceeding;

(2) preparing or intending to be the subject of a Bankruptcy Event; or

(3) the subject of any judgment unsatisfied of record or docketed in any court;
or

(4) Insolvent.

(j) No Actions or Litigation.

(1) There are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending against or, to Borrower's knowledge, threatened against or affecting Borrower or the Mortgaged Property (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be disclosed); and

(2) there are no claims, actions, suits, or proceedings at law or in equity by or before any Governmental Authority now pending or, to Borrower's knowledge, threatened against or affecting Guarantor or Key Principal, which claims, actions, suits, or proceedings, if adversely determined (individually or in the aggregate) reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal or the condition, operation, or ownership of the

Mortgaged Property (except claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(k) Payment of Taxes, Assessments, and Other Charges.

Borrower confirms that:

(1) it has filed all federal, state, county, and municipal tax returns and reports required to have been filed by Borrower;

(2) it has paid, before any fine, penalty, interest, lien, or costs may be added thereto, all taxes, governmental charges, and assessments due and payable with respect to such returns and reports;

(3) there is no controversy or objection pending, or to the knowledge of Borrower, threatened in respect of any tax returns of Borrower; and

(4) it has made adequate reserves on its books and records for all taxes that have accrued but which are not yet due and payable.

(l) Not a Foreign Person.

Borrower is not a “**foreign person**” within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(m) ERISA.

Borrower represents and warrants that:

(1) Borrower is not an Employee Benefit Plan;

(2) no asset of Borrower constitutes “**plan assets**” (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3 101) of an Employee Benefit Plan;

(3) no asset of Borrower is subject to any laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(4) neither Borrower nor any ERISA Affiliate is subject to any obligation or liability with respect to any ERISA Plan.

(n) Default Under Other Obligations.

(1) The execution, delivery, and performance of the obligations imposed on Borrower under this Loan Agreement and the Loan Documents to which it is a party will not cause Borrower to be in default under the provisions of any agreement, judgment, or order to which Borrower is a party or by which Borrower is bound.

(2) None of Borrower, Guarantor, or Key Principal is in default under any obligation to Lender.

(o) Prohibited Person.

None of Borrower, Guarantor, or Key Principal is a Prohibited Person, nor to Borrower's knowledge, is any Person:

(1) Controlling Borrower, Guarantor, or Key Principal a Prohibited Person; or

(2) Controlled by and having a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal a Prohibited Person.

(p) No Contravention.

Neither the execution and delivery of this Loan Agreement and the other Loan Documents to which Borrower is a party, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement and the other Loan Documents to which Borrower is a party, nor the performance of the obligations of Borrower under this Loan Agreement and the other Loan Documents does or will conflict with or result in any breach or violation of, or constitute a default under, any of the terms, conditions, or provisions of Borrower's organizational documents, or any indenture, existing agreement, or other instrument to which Borrower is a party or to which Borrower, the Mortgaged Property, or other assets of Borrower are subject.

(q) Lockbox Arrangement.

Neither Borrower nor the direct or indirect owners of Borrower is party to any type of lockbox agreement or other similar cash management arrangement with any direct or indirect owner of Borrower that has not been approved by Lender in writing. In the event that Lender has approved any such arrangement, Borrower has, at Lender's option, entered into a lockbox agreement or other similar cash management agreement with Lender in form and substance acceptable to Lender.

(r) Legal Control.

The Borrower is Controlled by the Guarantor.

Section 4.02 Covenants.

(a) Maintenance of Existence; Organizational Documents.

Borrower shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or organization (as applicable). Borrower shall continue to be duly qualified and in good standing to transact business in each jurisdiction in which qualification or standing is required according to applicable law to conduct its business with respect to the Mortgaged Property and where the failure to do so would adversely affect Borrower's operation of the Mortgaged Property or the validity, enforceability, or the ability of

Borrower to perform its obligations under this Loan Agreement or any other Loan Document. Neither Borrower nor any partner, member, manager, officer, or director of Borrower shall:

(1) except as expressly permitted in the Loan Documents, make or allow any material change to the organizational documents or organizational structure of Borrower, including changes relating to the Control of Borrower, or

(2) file any action, complaint, petition, or other claim to:

(A) divide, partition, or otherwise compel the sale of the Mortgaged Property, or

(B) otherwise change the Control of Borrower.

(b) Economic Sanctions, Anti-Money Laundering, and Anti-Corruption.

(1) Borrower, Guarantor, Key Principal, and any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Person resides, is domiciled, or has its principal place of business.

(2) At no time shall Borrower, Guarantor, or Key Principal, or any Person Controlling Borrower, Guarantor, or Key Principal, or any Person Controlled by Borrower, Guarantor, or Key Principal that also has a direct or indirect ownership interest in Borrower, Guarantor, or Key Principal, be a Person:

(A) against whom proceedings are pending for any alleged violation of any laws described in Section 4.02(b)(1);

(B) that has been convicted of any violation of, has been subject to civil penalties or economic sanctions pursuant to, or had any of its property seized or forfeited under, any laws described in Section 4.02(b)(1); or

(C) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Loan Agreement and the other Loan Documents under any other applicable law.

(3) Borrower, Guarantor, and Key Principal shall at all times remain in compliance with any applicable economic sanctions laws administered by OFAC, the United States Department of State, or the United States Department of Commerce.

(c) Payment of Taxes, Assessments, and Other Charges.

Borrower shall file all federal, state, county, and municipal tax returns and reports required to be filed by Borrower and shall pay, before any fine, penalty, interest, or cost may be added thereto, all taxes payable with respect to such returns and reports.

(d) Borrower Single Asset Status.

Until the Indebtedness is fully paid, Borrower:

(1) shall not acquire or lease any real property, personal property, or assets other than the Mortgaged Property;

(2) shall not acquire, own, operate, or participate in any business other than the leasing, ownership, management, operation, and maintenance of the Mortgaged Property;

(3) shall not commingle its assets or funds with those of any other Person, unless such assets or funds can easily be segregated and identified in the ordinary course of business from those of any other Person;

(4) shall maintain its financial statements, accounting records, and other partnership, real estate investment trust, limited liability company, or corporate documents, as the case may be, separate from those of any other Person;

(5) shall have no material financial obligation under any indenture, mortgage, deed of trust, deed to secure debt, loan agreement, or other agreement or instrument to which Borrower is a party or by which Borrower is otherwise bound, or to which the Mortgaged Property is subject or by which it is otherwise encumbered, other than:

(A) unsecured trade payables incurred in the ordinary course of the operation of the Mortgaged Property (exclusive of amounts (i) to be paid out of the Replacement Reserve Account, or (ii) for rehabilitation, restoration, repairs, or replacements of the Mortgaged Property or otherwise approved by Lender) so long as such trade payables (1) are not evidenced by a promissory note, (2) are payable within sixty (60) days of the date incurred, and (3) as of any date, do not exceed, in the aggregate, two percent (2%) of the original principal balance of the Mortgage Loan; provided, however, that otherwise compliant outstanding trade payables may exceed two percent (2%) up to an aggregate amount of four percent (4%) of the original principal balance of the Mortgage Loan for a period (beginning on or after the Effective Date) not to exceed ninety (90) consecutive days;

(B) if the Security Instrument grants a lien on a leasehold estate, Borrower's obligations as lessee under the ground lease creating such leasehold estate; and

(C) obligations under the Loan Documents and obligations secured by the Mortgaged Property to the extent permitted by the Loan Documents;

(6) shall not assume, guaranty, or pledge its assets to secure the liabilities or obligations of any other Person (except in connection with the Mortgage Loan or other mortgage loans that have been paid in full or collaterally assigned to Lender, including in connection with any Consolidation, Extension and Modification Agreement or similar instrument) or hold out its credit as being available to satisfy the obligations of any other Person;

(7) shall not make loans or advances to any other Person; or

(8) shall not enter into, or become a party to, any transaction with any Borrower Affiliate, except in the ordinary course of business and on terms which are no more favorable to any such Borrower Affiliate than would be obtained in a comparable arm's-length transaction with an unrelated third party.

(e) ERISA.

Borrower covenants that:

(1) no asset of Borrower shall constitute “**plan assets**” (within the meaning of Section 3(42) of ERISA and Department of Labor Regulation Section 2510.3 101) of an Employee Benefit Plan;

(2) no asset of Borrower shall be subject to the laws of any Governmental Authority governing the assets of an Employee Benefit Plan; and

(3) neither Borrower nor any ERISA Affiliate shall incur any obligation or liability with respect to any ERISA Plan.

(f) Notice of Litigation or Insolvency.

Borrower shall give immediate written notice to Lender of any claims, actions, suits, or proceedings at law or in equity (including any insolvency, bankruptcy, or receivership proceeding) by or before any Governmental Authority pending or, to Borrower's knowledge, threatened against or affecting Borrower, Guarantor, Key Principal, or the Mortgaged Property, which claims, actions, suits, or proceedings, if adversely determined reasonably would be expected to materially adversely affect the financial condition or business of Borrower, Guarantor, or Key Principal, or the condition, operation, or ownership of the Mortgaged Property (including any claims, actions, suits, or proceedings regarding fair housing, anti-discrimination, or equal opportunity, which shall always be deemed material).

(g) Payment of Costs, Fees, and Expenses.

In addition to the payments specified in this Loan Agreement, Borrower shall pay, on demand, all of Lender's out-of-pocket fees, costs, charges, or expenses (including the reasonable

fees and expenses of attorneys, accountants, and other experts) incurred by Lender in connection with:

(1) any amendment to, or consent, or waiver required under, this Loan Agreement or any of the Loan Documents (whether or not any such amendments, consents, or waivers are entered into);

(2) defending or participating in any litigation arising from actions by third parties and brought against or involving Lender with respect to:

(A) the Mortgaged Property;

(B) any event, act, condition, or circumstance in connection with the Mortgaged Property; or

(C) the relationship between or among Lender, Borrower, Key Principal, and Guarantor in connection with this Loan Agreement or any of the transactions contemplated by this Loan Agreement;

(3) the administration or enforcement of, or preservation of rights or remedies under, this Loan Agreement or any other Loan Documents including or in connection with any litigation or appeals, any Foreclosure Event or other disposition of any collateral granted pursuant to the Loan Documents; and

(4) any Bankruptcy Event or Guarantor Bankruptcy Event.

(h) Restrictions on Distributions.

Borrower shall not declare or make any distributions or dividends of any nature to any Person having an ownership interest in Borrower if an Event of Default has occurred and is continuing.

(i) Lockbox Arrangement.

Neither Borrower nor the direct or indirect owners of Borrower shall enter into any type of lockbox agreement or other similar cash management arrangement with any direct or indirect owner of Borrower without the prior written consent of Lender. In the event that Lender issues such consent, Borrower shall, at Lender's option, be required to enter into a lockbox agreement or other similar cash management agreement with Lender in form and substance acceptable to Lender.

**ARTICLE 5
THE MORTGAGE LOAN**

Section 5.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 5.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Receipt and Review of Loan Documents.

Borrower has received and reviewed this Loan Agreement and all of the other Loan Documents.

(b) No Default.

No default exists under any of the Loan Documents.

(c) No Defenses.

The Loan Documents are not currently subject to any right of rescission, set-off, counterclaim, or defense by either Borrower or Guarantor, including the defense of usury, and neither Borrower nor Guarantor has asserted any right of rescission, set-off, counterclaim, or defense with respect thereto.

(d) Loan Document Taxes.

All mortgage, mortgage recording, stamp, intangible, or any other similar taxes required to be paid by any Person under applicable law currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents, including the Security Instrument, have been paid or will be paid in the ordinary course of the closing of the Mortgage Loan.

Section 5.02 Covenants.

(a) Ratification of Covenants; Estoppels; Certifications.

Borrower shall:

(1) promptly notify Lender in writing upon any violation of any covenant set forth in any Loan Document of which Borrower has notice or knowledge; provided, however, any such written notice by Borrower to Lender shall not relieve Borrower of, or result in a waiver of, any obligation under this Loan Agreement or any other Loan Document; and

(2) within ten (10) days after a request from Lender, provide a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement:

(A) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications);

(B) the unpaid principal balance of the Mortgage Loan;

(C) the date to which interest on the Mortgage Loan has been paid;

(D) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail);

(E) whether or not there are then-existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and

(F) any additional facts reasonably requested in writing by Lender.

(b) Further Assurances.

(1) Other Documents As Lender May Require.

Within ten (10) days after request by Lender, Borrower shall, subject to Section 5.02(d) below, execute, acknowledge, and deliver, at its cost and expense, all further acts, deeds, conveyances, assignments, financing statements, transfers, documents, agreements, assurances, and such other instruments as Lender may reasonably require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Loan Agreement and the other Loan Documents.

(2) Corrective Actions.

Within ten (10) days after request by Lender, Borrower shall provide, or cause to be provided, to Lender, at Borrower's cost and expense, such further documentation or information reasonably deemed necessary or appropriate by Lender in the exercise of its rights under the related commitment letter between Borrower and Lender or to correct patent mistakes in the Loan Documents, the Title Policy, or the funding of the Mortgage Loan.

(c) Sale of Mortgage Loan.

Borrower shall, subject to Section 5.02(d) below:

(1) comply with the reasonable requirements of Lender or any Investor of the Mortgage Loan or provide, or cause to be provided, to Lender or any Investor of the Mortgage Loan within ten (10) days of the request, at Borrower's cost and expense, such further documentation or information as Lender or Investor may reasonably require, in order to enable:

(A) Lender to sell, pledge, assign or otherwise transfer the Mortgage Loan (or grant a participation interest therein) to such Investor;

(B) Lender to obtain a refund of any commitment fee from any such Investor; or

(C) any such Investor to further sell, pledge, assign or otherwise transfer the Mortgage Loan (or grant a participation interest therein);

(2) ratify and affirm in writing the representations and warranties set forth in any Loan Document as of such date specified by Lender modified as necessary to reflect changes that have occurred subsequent to the Effective Date;

(3) confirm that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Loan Agreement or any of the other Loan Documents (or, if Borrower is in default, describing such default in reasonable detail); and

(4) execute and deliver to Lender and/or any Investor such other documentation, including any amendments, corrections, deletions, or additions to this Loan Agreement or other Loan Document(s) as is reasonably required by Lender or such Investor.

(d) Limitations on Further Acts of Borrower.

Nothing in Section 5.02(b) and Section 5.02(c) shall require Borrower to do any further act that has the effect of:

(1) changing the economic terms of the Mortgage Loan set forth in the related commitment letter between Borrower and Lender;

(2) imposing on Borrower or Guarantor greater personal liability under the Loan Documents than that set forth in the related commitment letter between Borrower and Lender; or

(3) materially changing the rights and obligations of Borrower or Guarantor under the commitment letter.

(e) Financing Statements; Record Searches.

(1) Borrower shall pay all costs and expenses associated with:

(A) any filing or recording of any financing statements, including all continuation statements, termination statements, and amendments or any other filings related to security interests in or liens on collateral; and

(B) any record searches for financing statements that Lender may require.

(2) Borrower hereby authorizes Lender to file any financing statements, continuation statements, termination statements, and amendments (including an “all assets” or “all personal property” collateral description or words of similar import) in form and substance as Lender may require in order to protect and preserve Lender’s lien priority and security interest in the Mortgaged Property (and to the extent Lender has filed any such financing statements, continuation statements, or amendments prior to the Effective Date, such filings by Lender are hereby authorized and ratified by Borrower).

(f) Loan Document Taxes.

Borrower shall pay, on demand, any transfer taxes, documentary taxes, assessments, or charges made by any Governmental Authority in connection with the execution, delivery, recordation, filing, registration, perfection, or enforcement of any of the Loan Documents or the Mortgage Loan.

**ARTICLE 6
PROPERTY USE, PRESERVATION, AND MAINTENANCE**

Section 6.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 6.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Law; Permits and Licenses.

(1) To Borrower’s knowledge, all improvements to the Land and the use of the Mortgaged Property comply with all applicable laws, ordinances, statutes, rules, and regulations, including all applicable statutes, rules, and regulations pertaining to requirements for equal opportunity, anti-discrimination, fair housing, and rent control, and Borrower has no knowledge of any action or proceeding (or threatened action or proceeding) regarding noncompliance or nonconformity with any of the foregoing.

(2) To Borrower’s knowledge, there is no evidence of any illegal activities on the Mortgaged Property.

(3) To Borrower’s knowledge, no permits or approvals from any Governmental Authority, other than those previously obtained and furnished to Lender, are necessary for the commencement and completion of the Replacements, other than those permits or approvals which will be timely obtained in the ordinary course of business.

(4) All required permits, licenses, and certificates to comply with all zoning and land use statutes, laws, ordinances, rules, and regulations, and all applicable health, fire, safety, and building codes, and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent, have been obtained and are in full force and effect.

(5) No portion of the Mortgaged Property has been purchased with the proceeds of any illegal activity.

(b) Property Characteristics.

(1) The Mortgaged Property contains at least:

(A) the Property Square Footage;

(B) the Total Parking Spaces; and

(C) the Total Residential Units.

(2) No part of the Land is included or assessed under or as part of another tax lot or parcel, and no part of any other property is included or assessed under or as part of the tax lot or parcels for the Land.

(c) Property Ownership.

Borrower is sole owner or ground lessee of the Mortgaged Property.

(d) Condition of the Mortgaged Property.

(1) Borrower has not made any claims, and to Borrower's knowledge, no claims have been made, against any contractor, engineer, architect, or other party with respect to the construction or condition of the Mortgaged Property or the existence of any structural or other material defect therein; and

(2) neither the Land nor the Improvements has sustained any damage other than damage which has been fully repaired.

(e) Personal Property.

Borrower owns (or, to the extent disclosed on the Exceptions to Representations and Warranties Schedule, leases) all of the Personal Property that is material to and is used in connection with the management, ownership, and operation of the Mortgaged Property.

(f) Independence of the Mortgaged Property.

The Mortgaged Property may be operated independently from other land and improvements not included within or located on the Land, and it is not necessary to own or control any property other than the Mortgaged Property in order to meet the obligations of the landlord under any Lease, or in order to comply with any legal requirements.

(g) Status of Certain Title Matters

Each of the easements included within the Mortgaged Property (a) is valid and in full force and effect and may not be amended or terminated, except for cause, without the consent of the Borrower, (b) has not been amended or supplemented, (c) requires no approval of the

Improvements that has not been obtained, (d) is free of defaults or alleged defaults, (e) does not provide for any assessment against the Mortgaged Property that has not been paid in full, and (f) has not been violated by the owner of the Mortgaged Property or, to the best of the Borrower's knowledge, by any tenant of the Mortgaged Property.

Section 6.02 Covenants

(a) Use of Property.

From and after the Effective Date, Borrower shall not, unless required by applicable federal, state or local laws or Governmental Authority:

- (1) change the use of all or any part of the Mortgaged Property;
- (2) convert any individual dwelling units or common areas to commercial use, or convert any common area or commercial use to individual dwelling units;
- (3) initiate or acquiesce in a change in the zoning classification of the Land;
- (4) establish any condominium or cooperative regime with respect to the Mortgaged Property;
- (5) subdivide the Land; or
- (6) suffer, permit, or initiate the joint assessment of any Mortgaged Property with any other real property constituting a tax lot separate from such Mortgaged Property which could cause the part of the Land to be included or assessed under or as part of another tax lot or parcel, or any part of any other property to be included or assessed under or as part of the tax lot or parcels for the Land.

(b) Property Maintenance.

Borrower shall:

- (1) pay the expenses of operating, managing, maintaining, and repairing the Mortgaged Property (including insurance premiums, utilities, and Replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added;
- (2) keep the Mortgaged Property in good repair and marketable condition (ordinary wear and tear excepted) (including the replacement of Personalty and Fixtures with items of equal or better function and quality) and subject to Section 9.03(b)(3) and Section 10.03(d) restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition or condition immediately prior to the damage (if improved after the Effective Date), whether or not any insurance proceeds or amounts received in connection with a Condemnation Action are available to cover any costs of such restoration or repair;

(3) commence Additional Lender Replacements as follows:

(A) with respect to Additional Lender Replacements, in the event that Lender determines that Additional Lender Replacements are necessary from time to time or pursuant to Section 6.03(c), promptly following Lender's written notice of such Additional Lender Replacements, commence any such Additional Lender Replacements in accordance with Lender's timelines, or if no timelines are provided, as soon as practical;

(4) make, construct, install, diligently perform, and complete all Replacements:

(A) in a good and workmanlike manner as soon as practicable following the commencement thereof, free and clear of any Liens, including mechanics' or materialmen's liens and encumbrances (except Permitted Encumbrances and mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials);

(B) in accordance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority, including applicable building codes, special use permits, and environmental regulations;

(C) in accordance with all applicable insurance and bonding requirements; and

(D) within all timeframes required by Lender; and

(5) subject to the terms of Section 6.03(a) provide for professional management of the Mortgaged Property by a residential rental property manager satisfactory to Lender under a contract approved by Lender in writing;

(6) give written notice to Lender of, and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security for the Mortgage Loan, or Lender's rights under this Loan Agreement; and

(7) upon Lender's written request, submit to Lender any contracts or work orders described in Section 13.02(b).

(c) Property Preservation.

Borrower shall:

(1) not commit waste or abandon or (ordinary wear and tear excepted) permit impairment or deterioration of the Mortgaged Property;

(2) except as otherwise permitted herein in connection with Replacements, not remove, demolish, or alter the Mortgaged Property or any part of the Mortgaged Property (or permit any tenant or any other person to do the same) except in connection with the replacement of tangible Personalty or Fixtures (provided such Personalty and Fixtures are replaced with items of equal or better function and quality);

(3) not engage in or knowingly permit, and shall take appropriate measures to prevent and abate or cease and desist, any illegal activities under the laws of any Governmental Authority at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Land or otherwise materially impair the lien created by the Security Instrument or Lender's interest in the Mortgaged Property;

(4) not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage required by this Loan Agreement; or

(5) not subject the Mortgaged Property to any voluntary, elective, or non-compulsory tax lien or assessment (or opt in to any voluntary, elective, or non-compulsory special tax district or similar regime).

(d) Property Inspections.

Borrower shall:

(1) permit Lender, its agents, representatives, and designees to enter upon and inspect the Mortgaged Property (including in connection with any Replacement, or to conduct any Environmental Inspection pursuant to the Environmental Indemnity Agreement), and shall cooperate and provide access to all areas of the Mortgaged Property (subject to the rights of tenants under the Leases):

(A) during normal business hours;

(B) at such other reasonable time upon reasonable notice of not less than one (1) Business Day;

(C) at any time when exigent circumstances exist; or

(D) at any time after an Event of Default has occurred and is continuing; and

(2) pay for reasonable costs or expenses incurred by Lender or its agents in connection with any such inspections conducted during the continuance of an Event of Default.

(e) Compliance with Laws.

Borrower shall:

(1) comply with all laws, ordinances, statutes, rules, and regulations of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, statutes, rules and regulations, and covenants pertaining to construction of improvements on the Land, fair housing, and requirements for equal opportunity, anti-discrimination, and Leases;

(2) procure and maintain all required permits, licenses, charters, registrations, and certificates necessary to comply with all zoning and land use statutes, laws, ordinances, rules and regulations, and all applicable health, fire, safety, and building codes and for the lawful use and operation of the Mortgaged Property, including certificates of occupancy, apartment licenses, or the equivalent;

(3) comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits;

(4) at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 6.02(e); and

(5) promptly after receipt or notification thereof, provide Lender copies of any building code or zoning violation from any Governmental Authority with respect to the Mortgaged Property.

(f) Independence of the Mortgaged Property

The Borrower shall maintain the independence of the Mortgaged Property from other land and improvements not included within or located on the Land. In fulfilling this covenant, the Borrower shall neither take any action which would make it necessary to own or control any property other than the Mortgaged Property in order to comply with any legal requirements, nor take any action which would cause any land or improvements other than the Land and the Improvements to rely upon the Land or the Improvements for those purposes.

(g) Contracts and Franchises

The Borrower shall maintain in force all contracts and franchises necessary for the conduct of the Borrower's business and for the operation of the Mortgaged Property in accordance with good commercial practice.

Section 6.03 Mortgage Loan Administration Matters Regarding the Property.

(a) Property Management.

From and after the Effective Date, each property manager and each property management agreement must be approved by Lender. If, in connection with the making of the Mortgage Loan, or at any later date, Lender waives in writing the requirement that Borrower enter into a written contract for management of the Mortgaged Property, and Borrower later elects to enter into a written contract or change the management of the Mortgaged Property, such new property manager or the property management agreement must be approved by Lender. As a condition to any approval by Lender, Lender may require that Borrower and such new property manager

enter into a collateral assignment of the property management agreement on a form approved by Lender.

(b) Subordination of Fees to Affiliated Property Managers.

Any property manager that is a Borrower Affiliate to whom fees are payable for the management of the Mortgaged Property must enter into an assignment of management agreement or other agreement with Lender, in a form approved by Lender, providing for subordination of those fees and such other provisions as Lender may require.

(c) Property Condition Assessment.

If, in connection with any inspection of the Mortgaged Property, Lender determines that the condition of the Mortgaged Property has deteriorated (ordinary wear and tear excepted) since the Effective Date, Lender may obtain, at Borrower's expense, a property condition assessment of the Mortgaged Property. Lender's right to obtain a property condition assessment pursuant to this Section 6.03(c) shall be in addition to any other rights available to Lender under this Loan Agreement in connection with any such deterioration. Any such inspection or property condition assessment may result in Lender requiring Additional Lender Replacements as further described in Section 13.02(a)(9)(B).

**ARTICLE 7
LEASES AND RENTS**

Section 7.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 7.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Assignment of Rents.

Borrower has not executed any:

- (1) prior assignment of Rents (other than an assignment of Rents securing prior indebtedness that has been paid off and discharged or will be paid off and discharged with the proceeds of the Mortgage Loan); or
- (2) instrument which would prevent Lender from exercising its rights under this Loan Agreement or the Security Instrument.

(b) Prepaid Rents.

Borrower has not accepted, and does not expect to receive prepayment of, any Rents for more than two (2) months prior to the due dates of such Rents.

Section 7.02 Covenants.

(a) Leases.

Borrower shall:

(1) comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits;

(2) surrender possession of the Mortgaged Property, including all Leases and all security deposits and prepaid Rents, immediately upon appointment of a receiver or Lender's entry upon and taking of possession and control of the Mortgaged Property, as applicable;

(3) require that all Residential Leases have initial lease terms of not less than six (6) months and not more than twenty-four (24) months (however, if customary in the applicable market for properties comparable to the Mortgaged Property, Residential Leases with terms of less than six (6) months (but in no case less than one (1) month) may be permitted with Lender's prior written consent); and

(4) promptly provide Lender a copy of any non-Residential Lease at the time such Lease is executed (subject to Lender's consent rights for Material Commercial Leases in Section 7.02(b)) and, upon Lender's written request, promptly provide Lender a copy of any Residential Lease then in effect.

(b) Commercial Leases.

(1) With respect to Material Commercial Leases, Borrower shall not:

(A) enter into any Material Commercial Lease except with the prior written consent of Lender; or

(B) modify the terms of, extend, or terminate any Material Commercial Lease (including any Material Commercial Lease in existence on the Effective Date) without the prior written consent of Lender.

(2) With respect to any non-Material Commercial Lease, Borrower shall not:

(A) enter into any non-Material Commercial Lease that materially alters the use and type of operation of the premises subject to the Lease in effect as of the Effective Date or reduces the number or size of residential units at the Mortgaged Property; or

(B) modify the terms of any non-Material Commercial Lease (including any non-Material Commercial Lease in existence on the Effective Date) in any way that materially alters the use and type of operation of the premises subject to such non-Material Commercial Lease in effect as of the

Effective Date, reduces the number or size of residential units at the Mortgaged Property, or results in such non-Material Commercial Lease being deemed a Material Commercial Lease.

(3) With respect to any Material Commercial Lease or non-Material Commercial Lease, Borrower shall cause the applicable tenant to provide within ten (10) days after a request by Borrower, a certificate of estoppel, or if not provided by tenant within such ten (10) day period, Borrower shall provide such certificate of estoppel, certifying:

(A) that such Material Commercial Lease or non-Material Commercial Lease is unmodified and in full force and effect (or if there have been modifications, that such Material Commercial Lease or non-Material Commercial Lease is in full force and effect as modified and stating the modifications);

(B) the term of the Lease including any extensions thereto;

(C) the dates to which the Rent and any other charges hereunder have been paid by tenant;

(D) the amount of any security deposit delivered to Borrower as landlord;

(E) whether or not Borrower is in default (or whether any event or condition exists which, with the passage of time, would constitute an event of default) under such Lease;

(F) the address to which notices to tenant should be sent; and

(G) any other information as may be reasonably required by Lender.

(c) Payment of Rents.

Borrower shall:

(1) pay to Lender upon demand all Rents after an Event of Default has occurred and is continuing;

(2) cooperate with Lender's efforts in connection with the assignment of Rents set forth in the Security Instrument; and

(3) not accept Rent under any Lease (whether a Residential Lease or a non-Residential Lease) for more than two (2) months in advance.

(d) Assignment of Rents.

Borrower shall not:

(1) perform any acts nor execute any instrument that would prevent Lender from exercising its rights under the assignment of Rents granted in the Security Instrument or in any other Loan Document; nor

(2) interfere with Lender's collection of such Rents.

(e) Further Assignments of Leases and Rents.

Borrower shall execute and deliver any further assignments of Leases and Rents as Lender may reasonably require.

(f) Options to Purchase by Tenants.

No Lease (whether a Residential Lease or a non-Residential Lease) shall contain an option to purchase, right of first refusal to purchase or right of first offer to purchase, except as required by applicable law.

Section 7.03 Mortgage Loan Administration Regarding Leases and Rents.

(a) Material Commercial Lease Requirements.

Each Material Commercial Lease, including any renewal or extension of any Material Commercial Lease in existence as of the Effective Date, shall provide, directly or pursuant to a subordination, non-disturbance and attornment agreement approved by Lender, that:

(1) the tenant shall, upon written notice from Lender after the occurrence of an Event of Default, pay all Rents payable under such Lease to Lender;

(2) such Lease and all rights of the tenant thereunder are expressly subordinate to the lien of the Security Instrument;

(3) the tenant shall attorn to Lender and any purchaser at a Foreclosure Event (such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a Foreclosure Event or by Lender in any manner);

(4) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a Foreclosure Event may from time to time request; and

(5) such Lease shall not terminate as a result of a Foreclosure Event unless Lender or any other purchaser at such Foreclosure Event affirmatively elects to terminate such Lease pursuant to the terms of the subordination, non-disturbance and attornment agreement.

(b) Residential Lease Form.

All Residential Leases entered into from and after the Effective Date shall be on forms approved by Lender.

ARTICLE 8
BOOKS AND RECORDS; FINANCIAL REPORTING

Section 8.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 8.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Financial Information.

All financial statements and data, including statements of cash flow and income and operating expenses, that have been delivered to Lender in respect of the Mortgaged Property:

- (1) are true, complete, and correct in all material respects; and
- (2) accurately represent the financial condition of the Mortgaged Property as of such date.

(b) No Change in Facts or Circumstances.

All information in the Loan Application and in all financial statements, rent rolls, reports, certificates, and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

Section 8.02 Covenants.

(a) Obligation to Maintain Accurate Books and Records.

Borrower shall keep and maintain at all times at the Mortgaged Property or the property management agent's offices or Borrower's General Business Address and, upon Lender's written request, shall make available at the Land:

- (1) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property; and
- (2) copies of all written contracts, Leases, and other instruments that affect Borrower or the Mortgaged Property.

(b) Items to Furnish to Lender.

Borrower shall furnish to Lender the following, certified as true, complete, and accurate, in all material respects, by an individual having authority to bind Borrower (or Guarantor, as applicable), in such form and with such detail as Lender reasonably requires:

(1) within thirty (30) days after the end of each first, second, and third calendar quarter, a statement of income and expenses for Borrower on a year-to-date basis as of the end of each calendar quarter;

(2) within ninety (90) days after the end of each calendar year:

(A) for any Borrower and any Guarantor that is an entity, a statement of income and expenses and a statement of cash flows for such calendar year;

(B) for any Borrower and any Guarantor that is an individual, or a trust established for estate-planning purposes, a personal financial statement for such calendar year;

(C) balance sheet(s) showing all assets and liabilities of Borrower and Guarantor and a statement of all contingent liabilities as of the end of such calendar year;

(D) a written certification ratifying and affirming that:

(i) Borrower has taken no action in violation of Section 4.02(d) regarding its single asset status;

(ii) Borrower has received no notice of any building code violation, or if Borrower has received such notice, evidence of remediation;

(iii) Borrower has made no application for rezoning nor received any notice that the Mortgaged Property has been or is being rezoned; and

(iv) Borrower has taken no action and has no knowledge of any action that would violate the provisions of Section 11.02(b)(1)(F) regarding liens encumbering the Mortgaged Property;

(E) an accounting of all security deposits held pursuant to all Leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which such security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to access information regarding such accounts; and

(F) written confirmation of:

(i) any changes occurring since the Effective Date (or that no such changes have occurred since the Effective Date) in (1) the direct owners of Borrower, (2) the indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), or (3) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts), and their respective interests;

(ii) the names of all officers and directors of (1) any Borrower which is a corporation, (2) any corporation which is a general partner of any Borrower which is a partnership, or (3) any corporation which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(iii) the names of all managers who are not members of (1) any Borrower which is a limited liability company, (2) any limited liability company which is a general partner of any Borrower which is a partnership, or (3) any limited liability company which is the managing member or non-member manager of any Borrower which is a limited liability company; and

(G) if not already provided pursuant to Section 8.02(b)(2)(A) above, a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each calendar year;

(H) All such annual financial statements pursuant to this 8.02(b)(2) (other than Guarantor's financial statements) shall be audited by an independent certified accounting firm acceptable to Lender.

(3) within thirty (30) days after the end of each first, second, and third calendar quarter and within ninety (90) days after the end of each calendar year, and at any other time upon Lender's written request, a rent schedule for the Mortgaged Property showing the name of each tenant and for each tenant, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by Lender; and

(4) upon Lender's written request (but, absent an Event of Default, no more frequently than once in any six (6) month period):

(A) any item described in Section 8.02(b)(1) or Section 8.02(b)(2) for Borrower, certified as true, complete, and accurate by an individual having authority to bind Borrower;

(B) a property management or leasing report for the Mortgaged Property, showing the number of rental applications received from tenants or prospective tenants and deposits received from tenants or prospective tenants, and any other information requested by Lender;

(C) a statement of income and expenses for Borrower's operation of the Mortgaged Property on a year-to-date basis as of the end of each month for such period as requested by Lender, which statement shall be delivered within thirty (30) days after the end of such month requested by Lender;

(D) a statement of real estate owned directly or indirectly by Borrower and Guarantor for such period as requested by Lender, which statement(s) shall be delivered within thirty (30) days after the end of such month requested by Lender; and

(E) a statement that identifies:

- (i) the direct owners of Borrower and their respective interests;
- (ii) the indirect owners (and any non-member managers) of Borrower that Control Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests; and
- (iii) the indirect owners of Borrower that hold twenty-five percent (25%) or more of the ownership interests in Borrower (excluding any Publicly-Held Corporations or Publicly-Held Trusts) and their respective interests.

(c) Audited Financials.

In the event Borrower or Guarantor receives or obtains any audited financial statements and such financial statements are required to be delivered to Lender under Section 8.02(b), Borrower shall deliver or cause to be delivered to Lender the audited versions of such financial statements.

(d) Delivery of Books and Records.

If an Event of Default has occurred and is continuing, Borrower shall deliver to Lender, upon written demand, all books and records relating to the Mortgaged Property or its operation.

Section 8.03 Mortgage Loan Administration Matters Regarding Books and Records and Financial Reporting.

(a) Lender's Right to Obtain Audited Books and Records.

Lender may require that Borrower's or Guarantor's books and records be audited, at Borrower's expense, by an independent certified public accountant selected by Lender in order to produce or audit any statements, schedules, and reports of Borrower, Guarantor, or the Mortgaged Property required by Section 8.02, if:

- (1) Borrower or Guarantor fails to provide in a timely manner the statements, schedules, and reports required by Section 8.02 and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c);
- (2) the statements, schedules, and reports submitted to Lender pursuant to Section 8.02 are not full, complete, and accurate in all material respects as determined by Lender and, thereafter, Borrower or Guarantor fails to provide such statements, schedules, and reports within the cure period provided in Section 14.01(c); or
- (3) an Event of Default has occurred and is continuing.

Notwithstanding the foregoing, the ability of Lender to require the delivery of audited financial statements shall be limited to not more than once per Borrower's fiscal year so long as no Event of Default has occurred during such fiscal year (or any event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing). Borrower shall cooperate with Lender in order to satisfy the provisions of this Section 8.03(a). All related costs and expenses of Lender shall become immediately due and payable by Borrower within ten (10) Business Days after demand therefor.

(b) Credit Reports; Credit Score.

No more often than once in any twelve (12) month period, Lender is authorized to obtain a credit report (if applicable) on Borrower or Guarantor, the cost of which report shall be paid by Borrower. Lender is authorized to obtain a Credit Score (if applicable) for Borrower or Guarantor at any time at Lender's expense.

(c) Effect of Failure to Delivery Financial and Property Reports.

If Borrower or Guarantor fails to provide the statements, schedules and reports required under this Article 8 before the applicable deadline, the Lender will provide a notice of this failure and a thirty (30) day opportunity to cure before an Event of Default shall exist. All monthly payments of principal and interest under the Note that become due after this cure period has elapsed but before the reports are received by the Lender must be accompanied by a fee of 0.000834 times the principal balance of the Loan at the beginning of the previous month until such time as the required reports are received by the Lender, regardless of whether the notice has asserted that the failure constitutes an Event of Default. This fee represents a notional re-pricing of the Loan by one hundred (100) basis points to compensate the Lender for (A) the increased risk resulting from the Lender's inability to monitor and service the Loan using up-to-date information, and (B) the reduced value and liquidity of the Loan as a financial asset.

**ARTICLE 9
INSURANCE**

Section 9.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 9.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Compliance with Insurance Requirements.

Borrower is in compliance with Lender's insurance requirements set forth in Exhibit C attached hereto (or has obtained a written waiver from Lender for any non-compliant coverage) and has timely paid all premiums on all required insurance policies.

(b) Property Condition.

(1) The Mortgaged Property has not been damaged by fire, water, wind, or other cause of loss; or

(2) if previously damaged, any previous damage to the Mortgaged Property has been repaired and the Mortgaged Property has been fully restored.

Section 9.02 Covenants.

(a) Insurance Requirements.

(1) As required by Lender and applicable law, and as may be modified from time to time, Borrower shall keep the Improvements insured at all times and otherwise comply the insurance requirements set forth on Exhibit C attached hereto.

(b) Delivery of Policies, Renewals, Notices, and Proceeds.

Borrower shall:

(1) cause all insurance policies (including any policies not otherwise required by Lender) which can be endorsed with standard non-contributing, non-reporting mortgagee clauses making loss payable to Lender (or Lender's assigns) to be so endorsed;

(2) promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums;

(3) deliver evidence, in form and content acceptable to Lender, that each required insurance policy under this Article 9 has been renewed not less than fifteen (15) days prior to the applicable expiration date, and (if such evidence is other than an original or duplicate original of a renewal policy) deliver the original or duplicate original of each renewal policy (or such other evidence of insurance as may be required by or acceptable to Lender) in form and content acceptable to Lender within ninety (90) days after the applicable expiration date of the original insurance policy;

(4) provide immediate written notice to the insurance company and to Lender of any event of loss;

(5) execute such further evidence of assignment of any insurance proceeds as Lender may require; and

(6) provide immediate written notice to Lender of Borrower's receipt of any insurance proceeds under any insurance policy required by Section 9.02(a)(1) above and, if requested by Lender, deliver to Lender all of such proceeds received by Borrower to be applied by Lender in accordance with this Article 9.

Section 9.03 Mortgage Loan Administration Matters Regarding Insurance

(a) Lender's Ongoing Insurance Requirements.

Borrower acknowledges that Lender's insurance requirements may change from time to time. All insurance policies and renewals of insurance policies required by this Loan Agreement shall be:

- (1) in the form and with the terms required by Lender;
- (2) in such amounts, with such maximum deductibles and for such periods required by Lender; and
- (3) issued by insurance companies satisfactory to Lender.

BORROWER ACKNOWLEDGES THAT ANY FAILURE OF BORROWER TO COMPLY WITH THE REQUIREMENTS SET FORTH IN SECTION 9.02(A) OR SECTION 9.02(B)(3) ABOVE SHALL PERMIT LENDER TO PURCHASE THE APPLICABLE INSURANCE AT BORROWER'S COST. SUCH INSURANCE MAY, BUT NEED NOT, PROTECT BORROWER'S INTERESTS. THE COVERAGE THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT BORROWER MAKES OR ANY CLAIM THAT IS MADE AGAINST BORROWER IN CONNECTION WITH THE MORTGAGED PROPERTY. IF LENDER PURCHASES INSURANCE FOR THE MORTGAGED PROPERTY AS PERMITTED HEREUNDER, BORROWER WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AT THE DEFAULT RATE AND ANY OTHER CHARGES LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR THE EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE SHALL BE ADDED TO BORROWER'S TOTAL OUTSTANDING BALANCE OR OBLIGATION AND SHALL CONSTITUTE ADDITIONAL INDEBTEDNESS. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE BORROWER MAY BE ABLE TO OBTAIN ON ITS OWN. BORROWER MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING EVIDENCE THAT BORROWER HAS OBTAINED INSURANCE AS REQUIRED BY THIS LOAN AGREEMENT AND THE OTHER LOAN DOCUMENTS.

(b) Intentionally Omitted.

(c) Payment Obligations Unaffected.

The application of any insurance proceeds to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document. Notwithstanding the foregoing, if Lender applies insurance proceeds to the Indebtedness in connection with a casualty of less than the entire Mortgaged Property, and after such application of proceeds the debt service coverage ratio (as determined by Lender) is less than 1.25x based on the then-applicable Monthly Debt Service Payment and the anticipated on-going net operating income of the Mortgaged Property after such

casualty event, then Lender may, at its discretion, permit an adjustment to the Monthly Debt Service Payments that become due and owing thereafter, based on Lender's then-current underwriting requirements. In no event shall the preceding sentence obligate Lender to make any adjustment to the Monthly Debt Service Payments.

(d) Foreclosure Sale.

If the Mortgaged Property is transferred pursuant to a Foreclosure Event or Lender otherwise acquires title to the Mortgaged Property, Borrower acknowledges that Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums applicable to the Mortgaged Property and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such Foreclosure Event or such acquisition.

(e) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

**ARTICLE 10
CONDEMNATION**

Section 10.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 10.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Prior Condemnation Action.

No part of the Mortgaged Property has been taken in connection with a Condemnation Action.

(b) Pending Condemnation Actions.

No Condemnation Action is pending nor, to Borrower's knowledge, is threatened for the partial or total condemnation or taking of the Mortgaged Property.

Section 10.02 Covenants.

(a) Notice of Condemnation.

Borrower shall:

(1) promptly notify Lender of any Condemnation Action of which Borrower has knowledge;

(2) appear in and prosecute or defend, at its own cost and expense, any action or proceeding relating to any Condemnation Action, including any defense of Lender's

interest in the Mortgaged Property tendered to Borrower by Lender, unless otherwise directed by Lender in writing; and

(3) execute such further evidence of assignment of any condemnation award in connection with a Condemnation Action as Lender may require.

(b) Condemnation Proceeds.

Borrower shall pay to Lender all awards or proceeds of a Condemnation Action promptly upon receipt.

Section 10.03 Mortgage Loan Administration Matters Regarding Condemnation.

(a) Intentionally Omitted.

(b) Payment Obligations Unaffected.

The application of any awards or proceeds of a Condemnation Action to the Indebtedness shall not extend or postpone the Maturity Date, or the due date or the full payment of any Monthly Debt Service Payment, Monthly Replacement Reserve Deposit, or any other installments referred to in this Loan Agreement or in any other Loan Document.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(d) Preservation of Mortgaged Property.

If a Condemnation Action results in or from damage to the Mortgaged Property and Lender elects to apply the proceeds or awards from such Condemnation Action to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall remain obligated to restore or repair the Mortgaged Property. Nothing in this Section 10.03(d) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.

**ARTICLE 11
LIENS, TRANSFERS, AND ASSUMPTIONS**

Section 11.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 11.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) No Labor or Materialmen's Claims.

All parties furnishing labor and materials on behalf of Borrower have been paid in full. There are no mechanics' or materialmen's liens (whether filed or unfiled) outstanding for work, labor, or materials (and no claims or work outstanding that under applicable law could give rise to any such mechanics' or materialmen's liens) affecting the Mortgaged Property, whether prior to, equal with, or subordinate to the lien of the Security Instrument.

(b) No Other Interests.

No Person:

(1) other than Borrower has any possessory ownership or interest in the Mortgaged Property or right to occupy the same except under and pursuant to the provisions of existing Leases, the material terms of all such Leases having been previously disclosed in writing to Lender; nor

(2) has an option, right of first refusal, or right of first offer (except as required by applicable law) to purchase the Mortgaged Property, or any interest in the Mortgaged Property.

Section 11.02 Covenants.

(a) Liens; Encumbrances.

Borrower shall not permit the grant, creation, or existence of any Lien, whether voluntary, involuntary, or by operation of law, on all or any portion of the Mortgaged Property (including any voluntary, elective, or non-compulsory tax lien or assessment pursuant to a voluntary, elective, or non-compulsory special tax district or similar regime) other than:

(1) Permitted Encumbrances;

(2) the creation of:

(A) any tax lien, municipal lien, utility lien, mechanics' lien, materialmen's lien, or judgment lien against the Mortgaged Property if bonded off, released of record, or otherwise remedied to Lender's satisfaction within sixty (60) days after the earlier of the date Borrower has actual notice or constructive notice of the existence of such lien; or

(B) any mechanics' or materialmen's liens which attach automatically under the laws of any Governmental Authority upon the commencement of any work upon, or delivery of any materials to, the Mortgaged Property and for which Borrower is not delinquent in the payment for any such work or materials; and

(3) the lien created by the Loan Documents.

(b) Transfers.

(1) Mortgaged Property.

Borrower shall not Transfer, or cause or permit a Transfer of, all or any part of the Mortgaged Property (including any interest in the Mortgaged Property) other than:

(A) a Transfer to which Lender has consented in writing;

(B) Leases permitted pursuant to the Loan Documents;

(C) [reserved];

(D) a Transfer of obsolete or worn out Personalty or Fixtures that are contemporaneously replaced by items of equal or better function and quality which are free of Liens (other than those created by the Loan Documents);

(E) the grant of an easement, servitude, or restrictive covenant to which Lender has consented, and Borrower has paid to Lender, upon demand, all costs and expenses incurred by Lender in connection with reviewing Borrower's request;

(F) a lien permitted pursuant to Section 11.02(a) of this Loan Agreement; or

(G) the conveyance of the Mortgaged Property following a Foreclosure Event.

(2) Interests in Borrower, Key Principal, or Guarantor.

Other than a Transfer to which Lender has consented in writing, Borrower shall not Transfer, or cause or permit to be Transferred:

(A) any direct or indirect ownership interest in Borrower, Key Principal, or Guarantor (if applicable) if such Transfer would cause a change in Control;

(B) a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor (if applicable);

(C) fifty percent (50%) or more of Key Principal's or Guarantor's direct or indirect ownership interests in Borrower that existed on the Effective Date (individually or on an aggregate basis);

(D) the economic benefits or rights to cash flows attributable to any ownership interests in Borrower, Key Principal, or Guarantor (if applicable) separate from the Transfer of the underlying ownership interests if the Transfer of the underlying ownership interest is prohibited by this Loan Agreement; or

(E) a Transfer to a new key principal or new guarantor (if such new key principal or guarantor is an entity), which entity has an organizational existence termination date that ends before the Maturity Date.

Notwithstanding the foregoing, if a Publicly-Held Corporation or a Publicly-Held Trust Controls Borrower, Key Principal, or Guarantor, or owns a direct or indirect Restricted Ownership Interest in Borrower, Key Principal, or Guarantor, a Transfer of any ownership interests in such Publicly-Held Corporation or Publicly-Held Trust shall not be prohibited under this Loan Agreement as long as (i) such Transfer does not result in a conversion of such Publicly-Held Corporation or Publicly-Held Trust to a privately held entity, and (ii) Borrower provides written notice to Lender not later than thirty (30) days thereafter of any such Transfer that results in any Person owning ten percent (10%) or more of the ownership interests in such Publicly-Held Corporation or Publicly-Held Trust.

(3) Name Change or Entity Conversion.

Lender shall consent to Borrower changing its name, changing its jurisdiction of organization, or converting from one type of legal entity into another type of legal entity for any lawful purpose, provided that Borrower shall not be permitted to convert to a Delaware Statutory Trust, and provided further that:

(A) Lender receives written notice at least thirty (30) days prior to such change or conversion, which notice shall include organizational charts that reflect the structure of Borrower both prior to and subsequent to such name change or entity conversion;

(B) such Transfer is not otherwise prohibited under the provisions of Section 11.02(b)(2);

(C) Borrower executes an amendment to this Loan Agreement and any other Loan Documents required by Lender documenting the name change or entity conversion;

(D) Borrower agrees and acknowledges, at Borrower's expense, that (i) Borrower will execute and record in the land records any instrument required by the Property Jurisdiction to be recorded to evidence such name change or entity conversion (or provide Lender with written confirmation from the title company (via electronic mail or letter) that no such instrument is required), (ii) Borrower will execute any additional documents required by Lender, including the amendment to this Loan Agreement, and allow such documents to be recorded or filed in the land records of the Property Jurisdiction, (iii) Lender will obtain a "date down" endorsement to the Lender's Loan Policy (or obtain a new Loan Policy if a "date down" endorsement is not available in the Property Jurisdiction), evidencing title to the Mortgaged Property being in the name of the successor entity and the Lien of the Security Instrument against the Mortgaged Property, and (iv) Lender will file any required UCC-3 financing statement and

make any other filing deemed necessary to maintain the priority of its Liens on the Mortgaged Property; and

(E) no later than ten (10) days subsequent to such name change or entity conversion, Borrower shall provide Lender (i) the documentation filed with the appropriate office in Borrower's state of formation evidencing such name change or entity conversion, (ii) copies of the organizational documents of Borrower, including any amendments, filed with the appropriate office in Borrower's state of formation reflecting the post-conversion Borrower name, form of organization, and structure, and (iii) if available, new certificates of good standing or valid formation for Borrower.

(c) No Other Indebtedness.

Other than the Mortgage Loan, Borrower shall not incur or be obligated at any time with respect to any loan or other indebtedness (except trade payables as otherwise permitted in this Loan Agreement), including any indebtedness secured by a Lien on, or the cash flows from, the Mortgaged Property.

(d) No Mezzanine Financing or Preferred Equity.

Neither Borrower nor any direct or indirect owner of Borrower shall: (1) incur any Mezzanine Debt; (2) issue any Preferred Equity; or (3) incur any similar indebtedness or issue any similar equity.

Section 11.03 Mortgage Loan Administration Matters Regarding Liens, Transfers, and Assumptions.

(a) Assumption of Mortgage Loan.

Lender shall consent to a one-time Transfer of the Mortgaged Property to and an assumption of the Mortgage Loan by a new borrower if each of the following conditions is satisfied prior to the Transfer:

(1) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(a);

(2) no Event of Default has occurred and is continuing, and no event which, with the giving of written notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing;

(3) Lender in its sole discretion determines that:

(A) the proposed new borrower, new key principal, and any other new guarantor fully satisfy all of Lender's then-applicable borrower, key principal, or guarantor eligibility, credit, management, and other loan underwriting standards, which shall include an analysis of (i) the previous relationships between Lender and the proposed new borrower, new key principal, new guarantor, and any

Person in Control of them, and the organization of the new borrower, new key principal, and new guarantor (if applicable), (ii) the operating and financial performance of the Mortgaged Property, including physical condition and occupancy and (iii) demonstrated property management expertise of the proposed new borrower, new key principal, new guarantor, and any Person in Control of them;

(B) none of the proposed new borrower, new key principal, and any new guarantor, or any owners of the proposed new borrower, new key principal, and any new guarantor, are a Prohibited Person; and

(C) none of the proposed new borrower, new key principal, and any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date;

(4) [reserved];

(5) the proposed new borrower has:

(A) executed an assumption agreement acceptable to Lender that, among other things, requires the proposed new borrower to assume and perform all obligations of Borrower (or any other transferor), and that may require that the new borrower comply with any provisions of any Loan Document that previously may have been waived by Lender for Borrower, subject to the terms of Section 11.03(g);

(B) if required by Lender, delivered to the Title Company for filing and/or recording in all applicable jurisdictions, all applicable Loan Documents including the assumption agreement to correctly evidence the assumption and the confirmation, continuation, perfection, and priority of the Liens created hereunder and under the other Loan Documents; and

(C) delivered to Lender a “date-down” endorsement to the Title Policy acceptable to Lender (or a new title insurance policy if a “date-down” endorsement is not available);

(6) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(A) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(B) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender;

(7) Lender has reviewed and approved the Transfer documents; and

(8) Lender has received the fees described in Section 11.03(g).

(b) Transfers to Key Principal-Owned Affiliates or Guarantor-Owned Affiliates.

(1) Except as otherwise covered in Section 11.03(b)(2) below, Transfers of direct or indirect ownership interests in Borrower to Key Principal or Guarantor, or to a transferee through which Key Principal or Guarantor (as applicable) Controls Borrower with the same rights and abilities as Key Principal or Guarantor (as applicable) Controls Borrower immediately prior to the date of such Transfer, shall be consented to by Lender if:

(A) such Transfer satisfies the applicable requirements of Section 11.03(a), other than Section 11.03(a)(5); and

(B) after giving effect to any such Transfer, each Key Principal or Guarantor (as applicable) continues to own not less than fifty percent (50%) of such Key Principal's or Guarantor's (as applicable) direct or indirect ownership interests in Borrower that existed on the Effective Date.

(2) Transfers of direct or indirect interests in Borrower held by a Key Principal or Guarantor to other Key Principals or Guarantors, as applicable, shall be consented to by Lender if such Transfer satisfies the following conditions:

(A) the Transfer does not cause a change in the Control of Borrower; and

(B) the transferor Key Principal or Guarantor maintains the same right and ability to Control Borrower as existed prior to the Transfer.

If the conditions set forth in this Section 11.03(b) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(c) Estate Planning.

Notwithstanding the provisions of Section 11.02(b)(2), so long as (1) the Transfer does not cause a change in the Control of Borrower, and (2) the transferor Key Principal or Guarantor, as applicable, maintains the same right and ability to Control Borrower as existed prior to the Transfer, Lender shall consent to Transfers of direct or indirect ownership interests in Borrower held by a Key Principal or Guarantor and Transfers of direct or indirect ownership interests, in an entity Key Principal or entity Guarantor to:

(A) Immediate Family Members of such Key Principal or Guarantor each of whom must have obtained the legal age of majority;

(B) United States domiciled trusts established for the benefit of the transferor Key Principal or transferor Guarantor, or Immediate Family Members of the transferor Key Principal or the transferor Guarantor; or

(C) partnerships or limited liability companies of which the partners or members, respectively, are comprised entirely of (i) such Key Principal or Guarantor and Immediate Family Members (each of whom must have obtained the legal age of majority) of such Key Principal or Guarantor, (ii) Immediate Family Members (each of whom must have obtained the legal age of majority) of such Key Principal or Guarantor, or (iii) United States domiciled trusts established for the benefit of the transferor Key Principal or transferor Guarantor, or Immediate Family Members of the transferor Key Principal or the transferor Guarantor.

If the conditions set forth in this Section 11.03(c) are satisfied, the Transfer Fee shall be waived provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(d) Termination or Revocation of Trust.

If any of Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust is an unpermitted Transfer; provided that the termination or revocation of the trust due to the death of an individual trustor shall not be considered an unpermitted Transfer so long as:

- (1) Lender is notified within thirty (30) days of the death; and
- (2) such Borrower, Guarantor, Key Principal, or other Person, as applicable, is replaced with an individual or entity acceptable to Lender, in accordance with the provisions of Section 11.03(a) within ninety (90) days of the date of the death causing the termination or revocation.

If the conditions set forth in this Section 11.03(d) are satisfied, the Transfer Fee shall be waived; provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(e) Death of Key Principal or Guarantor; Transfer Due to Death.

(1) If a Key Principal or Guarantor that is a natural person dies, or if Control of Borrower, Guarantor, or Key Principal is Transferred, or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred as a result of the death of a Person (except in the case of trusts which is addressed in Section 11.03(d)), Borrower must notify Lender in writing within ninety (90) days in the event of such death. Unless waived in writing by Lender, the deceased shall be replaced by an individual or entity within one hundred eighty (180) days, subject to Borrower's satisfaction of the following conditions:

- (A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(e);

(B) Lender determines that:

(i) the proposed new key principal and any other new guarantor (or Person Controlling such new key principal or new guarantor) fully satisfies all of Lender's then-applicable key principal or guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new key principal and new guarantor (or Person Controlling such new key principal or new guarantor) and the organization of the new key principal and new guarantor (if applicable));

(ii) none of the proposed new key principal or any new guarantor, or any owners of the proposed new key principal or any new guarantor, is a Prohibited Person; and

(iii) none of the proposed new key principal or any new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) if applicable, one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Key Principal, Guarantor, or other Person is required by Lender due to the death described in this Section 11.03(e), and such replacement has not occurred within such period, the period for replacement may be extended by Lender to a date not more than one year from the date of such death; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(e) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(f) Bankruptcy of Guarantor.

(1) Upon the occurrence of any Guarantor Bankruptcy Event, unless waived in writing by Lender, the applicable Guarantor shall be replaced by an individual or entity within ninety (90) days of such Guarantor Bankruptcy Event, subject to Borrower's satisfaction of the following conditions:

(A) Borrower has submitted to Lender all information required by Lender to make the determination required by this Section 11.03(f);

(B) Lender determines that:

(i) the proposed new guarantor fully satisfies all of Lender's then-applicable guarantor eligibility, credit, management, and other loan underwriting standards (including any standards with respect to previous relationships between Lender and the proposed new guarantor and the organization of the new guarantor (if applicable));

(ii) no new guarantor is a Prohibited Person; and

(iii) no new guarantor (if any of such are entities) shall have an organizational existence termination date that ends before the Maturity Date; and

(C) one or more individuals or entities acceptable to Lender as new guarantors have executed and delivered to Lender:

(i) an assumption agreement acceptable to Lender that requires the new guarantor to assume and perform all obligations of Guarantor under any Guaranty given in connection with the Mortgage Loan; or

(ii) a substitute Non-Recourse Guaranty and other substitute guaranty in a form acceptable to Lender.

(2) In the event a replacement Guarantor is required by Lender due to the Guarantor Bankruptcy Event described in this Section 11.03(f), and such replacement has not occurred within such period, the period for replacement may be extended by Lender in its discretion; however, Lender may require as a condition to any such extension that:

(A) the then-current property manager be replaced with a property manager reasonably acceptable to Lender (or if a property manager has not been previously engaged, a property manager reasonably acceptable to Lender be engaged); or

(B) a lockbox agreement or similar cash management arrangement (with the property manager) reasonably acceptable to Lender during such extended replacement period be instituted.

If the conditions set forth in this Section 11.03(f) are satisfied, the Transfer Fee shall be waived, provided Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g).

(g) Further Conditions to Transfers and Assumption.

(1) In connection with any Transfer of the Mortgaged Property, or an ownership interest in Borrower, Key Principal, or Guarantor for which Lender's approval is required under this Loan Agreement (including Section 11.03(a)), Lender may, as a condition to any such approval, require:

(A) additional collateral, guaranties, or other credit support to mitigate any risks concerning the proposed transferee or the performance or condition of the Mortgaged Property;

(B) amendment of the Loan Documents to delete or modify any specially negotiated terms or provisions previously granted for the exclusive benefit of original Borrower, Key Principal, or Guarantor and to restore the original provisions of the standard Fannie Mae form multifamily loan documents, to the extent such provisions were previously modified; or

(C) a modification to the amounts required to be deposited into the Reserve/Escrow Account pursuant to the terms of Section 13.02(a)(3)(B).

(2) In connection with any request by Borrower for consent to a Transfer, Borrower shall pay to Lender upon demand:

(A) the Transfer Fee (to the extent charged by Lender);

(B) the Review Fee provided such Review Fee will be credited against the Transfer Fee if such Transfer is approved by Lender; and

(C) all of Lender's out-of-pocket costs (including reasonable attorneys' fees) incurred in reviewing the Transfer request, regardless of whether Lender approves or denies such request.

**ARTICLE 12
IMPOSITIONS**

Section 12.01 Representations and Warranties.

The representations and warranties made by Borrower to Lender in this Section 12.01 are made as of the Effective Date and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) Payment of Taxes, Assessments, and Other Charges.

Borrower has:

(1) paid (or with the approval of Lender, established an escrow fund sufficient to pay when due and payable) all amounts and charges relating to the Mortgaged Property that have become due and payable before any fine, penalty interest, lien, or costs may be added thereto, including Impositions, leasehold payments, and ground rents;

(2) paid all Taxes for the Mortgaged Property that have become due before any fine, penalty interest, lien, or costs may be added thereto pursuant to any notice of assessment received by Borrower and any and all taxes that have become due against Borrower before any fine, penalty interest, lien, or costs may be added thereto;

(3) no knowledge of any basis for any additional assessments;

(4) no knowledge of any presently pending special assessments against all or any part of the Mortgaged Property, or any presently pending special assessments against Borrower; and

(5) not received any written notice of any contemplated special assessment against the Mortgaged Property, or any contemplated special assessment against Borrower.

Section 12.02 Covenants.

(a) Imposition Deposits, Taxes, and Other Charges.

Borrower shall:

(1) deposit the Imposition Deposits with Lender on each Payment Date (or on another day designated in writing by Lender) in amount sufficient, in Lender's discretion, to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added, plus an amount equal to no more than one-sixth (1/6) (or the amount permitted by applicable law) of the Impositions for the trailing twelve (12) months (calculated based on the aggregate annual Imposition costs divided by twelve (12) and multiplied by two (2));

(2) deposit with Lender, within ten (10) days after written notice from Lender (subject to applicable law), such additional amounts estimated by Lender to be reasonably necessary to cure any deficiency in the amount of the Imposition Deposits held for payment of a specific Imposition;

(3) except as set forth in Section 12.03(c) below, pay all Impositions, leasehold payments, ground rents, and Taxes when due and before any fine, penalty, interest, lien, or costs may be added thereto;

(4) promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and, if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments; and

(5) promptly deliver to Lender a copy of all notices of any special assessments and contemplated special assessments against the Mortgaged Property or Borrower.

(b) Administrative Fees and Expenses.

Borrower shall pay to Lender by the date specified in the applicable invoice, the Tax Administration Fee for Lender's services in administering the Impositions Account and paying Taxes, insurance premiums, and each other obligations of Borrower for which Imposition Deposits are required.

Section 12.03 Mortgage Loan Administration Matters Regarding Impositions.

(a) Maintenance of Records by Lender.

Lender shall maintain records of the monthly and aggregate Imposition Deposits held by Lender for the purpose of paying Taxes, insurance premiums, and each other obligation of Borrower for which Imposition Deposits are required.

(b) Imposition Accounts.

All Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) whose deposits or accounts are insured or guaranteed by a federal agency and which accounts meet the standards for custodial accounts as required by Lender from time to time. Lender shall not be obligated to open additional accounts, or deposit Imposition Deposits in additional institutions, when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. No interest, earnings, or profits on the Imposition Deposits shall be paid to Borrower unless applicable law so requires. Imposition Deposits shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose in accordance with this Loan Agreement. For the purposes of 9-104(a)(3) of the UCC, Lender is the owner of the Imposition Deposits and shall be deemed a "customer" with sole control of the account holding the Imposition Deposits.

(c) Payment of Impositions; Sufficiency of Imposition Deposits.

Lender may pay an Imposition according to any bill, statement, or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement, or estimate or into the validity of the Imposition. Imposition Deposits shall be required to be used by Lender to pay Taxes, insurance premiums and any other individual Imposition only if:

- (1) no Event of Default exists;
- (2) Borrower has timely delivered to Lender all applicable bills or premium notices that it has received; and
- (3) sufficient Imposition Deposits are held by Lender for each Imposition at the time such Imposition becomes due and payable.

Lender shall have no liability to Borrower for failing to pay any Imposition if any of the conditions are not satisfied. If at any time the amount of the Imposition Deposits held for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender to be held in connection with such Imposition, the excess may be credited against future installments of Imposition Deposits for such Imposition.

(d) Imposition Deposits Upon Event of Default.

If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in such amount and in such order as Lender determines, to pay any Impositions or as a credit against the Indebtedness.

(e) Contesting Impositions.

Other than insurance premiums, Borrower may contest, at its expense, by appropriate legal proceedings, the amount or validity of any Imposition if:

(1) Borrower notifies Lender of the commencement or expected commencement of such proceedings;

(2) Lender determines that the Mortgaged Property is not in danger of being sold or forfeited;

(3) Borrower deposits with Lender (or the applicable Governmental Authority if required by applicable law) reserves sufficient to pay the contested Imposition, if required by Lender (or the applicable Governmental Authority);

(4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested in writing by Lender; and

(5) Borrower commences, and at all times thereafter diligently prosecutes, such contest in good faith until a final determination is made by the applicable Governmental Authority.

(f) Release to Borrower.

Upon payment in full of all sums secured by the Security Instrument and this Loan Agreement and release by Lender of the lien of the Security Instrument, Lender shall disburse to Borrower the balance of any Imposition Deposits then on deposit with Lender.

**ARTICLE 13
REPLACEMENT RESERVE**

Section 13.01 Covenants.

(a) Initial Deposits to Replacement Reserve Account.

On the Effective Date, Borrower shall pay to Lender the Initial Replacement Reserve Deposit for deposit into the Replacement Reserve Account.

(b) Monthly Replacement Reserve Deposits.

Borrower shall deposit the applicable Monthly Replacement Reserve Deposit into the Replacement Reserve Account on each Payment Date.

(c) Payment for Replacements.

Borrower shall:

(1) pay all invoices for the Replacements, regardless of whether funds on deposit in the Replacement Reserve Account, are sufficient, prior to any request for disbursement from the Replacement Reserve Account (unless Lender has agreed to issue joint checks in connection with a particular Replacement);

(2) pay all applicable fees and charges of any Governmental Authority on account of the Replacements; and

(3) provide evidence satisfactory to Lender of completion of the Replacements.

(d) Assignment of Contracts for Replacements.

Borrower shall collaterally assign to Lender as additional security any contract or subcontract for Replacements, upon Lender's written request, on a form of assignment approved by Lender.

(e) Indemnification.

If Lender elects to exercise its rights under Section 14.03 due to Borrower's failure to timely commence or complete any Replacements, Borrower shall indemnify and hold Lender harmless from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arising from or in any way connected with the performance by Lender of the Replacements or investment of the Reserve/Escrow Account Funds; provided that Borrower shall have no indemnity obligation if such actions, suits, claims, demands, liabilities, losses, damages, obligations, and costs or expenses, including litigation costs and reasonable attorneys' fees, arise as a result of the willful misconduct or gross negligence of Lender, Lender's agents, employees,

or representatives as determined by a court of competent jurisdiction pursuant to a final non-appealable court order.

(f) Amendments to Loan Documents.

Subject to Section 5.02, Borrower shall execute and deliver to Lender, upon written request, an amendment to this Loan Agreement, the Security Instrument, and any other Loan Document deemed necessary or desirable to perfect Lender's lien upon any portion of the Mortgaged Property for which Reserve/Escrow Account Funds were expended.

(g) Administrative Fees and Expenses.

Borrower shall pay to Lender:

(1) Intentionally Omitted;

(2) upon demand, a reasonable inspection fee, not exceeding the Maximum Inspection Fee, for each inspection of the Mortgaged Property by Lender in connection with a Replacement, plus all other reasonable costs and out-of-pocket expenses relating to such inspections; and

(3) upon demand, all reasonable fees charged by any engineer, architect, inspector or other person inspecting the Mortgaged Property on behalf of Lender for each inspection of the Mortgaged Property in connection with a Replacement, plus all other reasonable costs and out-of-pocket expenses relating to such inspections.

Section 13.02 Mortgage Loan Administration Matters Regarding Reserves.

(a) Accounts, Deposits, and Disbursements.

(1) Custodial Accounts.

(A) The Replacement Reserve Account shall be an interest-bearing account that meets the standards for custodial accounts as required by Lender from time to time. Lender shall not be responsible for any losses resulting from the investment of the Replacement Reserve Deposits or for obtaining any specific level or percentage of earnings on such investment. All interest, if any, earned on the Replacement Reserve Deposits shall be owned by Borrower; provided, however, if applicable law requires, and so long as no Event of Default has occurred and is continuing under any of the Loan Documents, Lender shall pay to Borrower the interest earned on the Replacement Reserve Account on an annual basis. In no event shall Lender be obligated to disburse funds from the Reserve/Escrow Account if an Event of Default has occurred and is continuing.

(2) Disbursements by Lender Only.

Only Lender or a designated representative of Lender may make disbursements from the Replacement Reserve Account. Except as provided in Section 13.02(a)(8), disbursements shall only be made upon Borrower request and after satisfaction of all conditions for disbursement.

(3) Adjustment to Deposits.

(A) Mortgage Loan Terms Exceeding Ten (10) Years.

If the Loan Term exceeds ten (10) years, a property condition assessment shall be ordered by Lender for the Mortgaged Property at the expense of Borrower (which expense may be paid out of the Replacement Reserve Account if excess funds are available). The property condition assessment shall be performed no earlier than the sixth (6th) month and no later than the ninth (9th) month of the tenth (10th) Loan Year and every tenth (10th) Loan Year thereafter if the Loan Term exceeds twenty (20) years. After review of the property condition assessment, the amount of the Monthly Replacement Reserve Deposit may be adjusted by Lender for the remaining Loan Term by written notice to Borrower so that the Monthly Replacement Reserve Deposits are sufficient to fund the Replacements as and when required.

(B) Transfers.

In connection with any Transfer of the Mortgaged Property, or any Transfer of an ownership interest in Borrower, Guarantor, or Key Principal that requires Lender's consent, Lender may review the amounts on deposit, if any, in the Replacement Reserve Account, the amount of the Monthly Replacement Reserve Deposit and the likely repairs and replacements required by the Mortgaged Property, and the related contingencies which may arise during the remaining Loan Term. Based upon that review, Lender may require an additional deposit to the Replacement Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit as a condition to Lender's consent to such Transfer.

(4) Insufficient Funds.

Lender may, upon thirty (30) days' prior written notice to Borrower, require an additional deposit(s) to the Replacement Reserve Account, or an increase in the amount of the Monthly Replacement Reserve Deposit, if Lender determines that the amounts on deposit in the Replacement Reserve Account are not sufficient to cover the costs for Replacements, not sufficient to cover the costs for Borrower Requested Replacements, or Additional Lender Replacements. Borrower's agreement to complete the Replacements as required by this Loan Agreement shall not be affected by the insufficiency of any balance in the Replacement Reserve Account.

(5) Disbursements for Replacements.

(A) Disbursement requests may only be made after completion of the applicable Replacements and only to reimburse Borrower for the actual approved costs of the Replacements. Lender shall not disburse from the Replacement Reserve Account the costs of routine maintenance to the Mortgaged Property. Disbursement from the Replacement Reserve Account shall not be made more frequently than the Maximum Replacement Reserve Disbursement Interval. Other

than in connection with a final request for disbursement, disbursements from the Replacement Reserve Account shall not be less than the Minimum Replacement Reserve Disbursement Amount.

(6) Disbursement Requests.

Each request by Borrower for disbursement from the Replacement Reserve Account must be in writing, must specify the Replacement for which reimbursement is requested (provided that for any Borrower Requested Replacements and Additional Lender Replacements, Lender shall have approved the use of the Reserve/Escrow Account Funds for such replacements as being the type intended to be covered by the Replacement Reserve Account), and must:

(A) if applicable, specify the quantity and price of the items or materials purchased, grouped by type or category;

(B) if applicable, specify the cost of all contracted labor or other services involved in the Replacement for which such request for disbursement is made;

(C) if applicable, include copies of invoices for all items or materials purchased and all contracted labor or services provided;

(D) include evidence of payment of such Replacement satisfactory to Lender and a copy of lien waivers (unless Lender has agreed to issue joint checks in connection with a particular Replacement as provided in this Loan Agreement); and

(E) contain a certification by Borrower that the Replacement has been completed lien free and in a good and workmanlike manner, in accordance with any plans and specifications previously approved by Lender (if applicable) and in compliance with all applicable laws, ordinances, rules, and regulations of any Governmental Authority having jurisdiction over the Mortgaged Property, and otherwise in accordance with the provisions of this Loan Agreement.

(7) Intentionally Omitted.

(8) Joint Checks for Periodic Disbursements.

Lender may, upon Borrower's written request, issue joint checks, payable to Borrower and the applicable supplier, materialman, mechanic, contractor, subcontractor, or other similar party, if:

(A) the cost of the Replacement exceeds the Replacement Threshold, and the contractor performing such Replacement requires periodic payments pursuant to the terms of the applicable written contract;

(B) the contract for such Replacement requires payment upon completion of the applicable portion of the work;

(C) Borrower makes the disbursement request after completion of the applicable portion of the work required to be completed under such contract;

(D) the materials for which the request for disbursement has been made are on site at the Mortgaged Property and are properly secured or installed;

(E) Lender determines that the remaining funds in the Replacement Reserve Account designated for such Replacement, are sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements, as applicable, and any other Borrower Requested Replacements, or Additional Lender Replacements, have been previously approved by Lender;

(F) each supplier, materialman, mechanic, contractor, subcontractor, or other similar party receiving payments shall have provided, if requested in writing by Lender, a waiver of liens with respect to amounts which have been previously paid to them; and

(G) all other conditions for disbursement have been satisfied.

(9) Intentionally Omitted.

(10) Excess Costs.

In the event any Replacement exceeds the approved cost set forth on the Required Replacement Schedule for Replacements, Borrower may submit a disbursement request to reimburse Borrower for such excess cost. The disbursement request must be in writing and include an explanation for such request. Lender shall make disbursements from the Replacement Reserve Account:

(A) the excess cost is commercially reasonable;

(B) the amount of funds in the Replacement Reserve Account, is sufficient to pay such costs and the then-current estimated cost of completing all remaining Required Replacements and any other Borrower Requested Replacements, or Additional Lender Replacements that have been previously approved by Lender; and

(C) all conditions for disbursement from the Replacement Reserve Account have been satisfied.

(b) Approvals of Contracts; Assignment of Claims.

Lender retains the right to approve all contracts or work orders with materialmen, mechanics, suppliers, subcontractors, contractors, or other parties providing labor or materials in connection with the Replacements. Notwithstanding Borrower's assignment (in the Security Instrument) of its rights and claims against all Persons supplying labor or materials in connection with the Replacement, Lender will not pursue any such right or claim unless an Event of Default has occurred and is continuing or as otherwise provided in Section 14.03(c).

(c) Delays and Workmanship.

If any work for any Replacement has not timely commenced, has not been timely performed in a workmanlike manner, or has not been timely completed in a workmanlike manner, Lender may, without notice to Borrower:

- (1) withhold disbursements from the Replacement Reserve Account for such unsatisfactory Replacement;
- (2) proceed under existing contracts or contract with third parties to make or complete such Replacement;
- (3) apply the funds in the Replacement Reserve Account toward the labor and materials necessary to make or complete such Replacement; or
- (4) exercise any and all other remedies available to Lender under this Loan Agreement or any other Loan Document, including any remedies otherwise available upon an Event of Default pursuant to the terms of Section 14.02.

To facilitate Lender's completion or making of such Replacements, Lender shall have the right to enter onto the Mortgaged Property and perform any and all work and labor necessary to make or complete the Replacements and employ watchmen to protect the Mortgaged Property from damage. All funds so expended by Lender shall be deemed to have been advanced to Borrower, shall be part of the Indebtedness and shall be secured by the Security Instrument and this Loan Agreement.

(d) Appointment of Lender as Attorney-In-Fact.

Borrower hereby authorizes and appoints Lender as attorney-in-fact pursuant to Section 14.03(c).

(e) No Lender Obligation.

Nothing in this Loan Agreement shall:

- (1) make Lender responsible for making or completing the Replacements;
- (2) require Lender to expend funds, whether from the Replacement Reserve Account, or otherwise, to make or complete any Replacement;
- (3) obligate Lender to proceed with the Replacements; or
- (4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement.

(f) No Lender Warranty.

Lender's approval of any plans for any Replacement, release of funds from the Replacement Reserve Account, inspection of the Mortgaged Property by Lender or its agents,

representatives, or designees, or other acknowledgment of completion of any Replacement in a manner satisfactory to Lender shall not be deemed an acknowledgment or warranty to any person that the Replacement has been completed in accordance with applicable building, zoning, or other codes, ordinances, statutes, laws, regulations, or requirements of any governmental agency, such responsibility being at all times exclusively that of Borrower.

ARTICLE 14 DEFAULTS/REMEDIES

Section 14.01 Events of Default.

The occurrence of any one or more of the following in this Section 14.01 shall constitute an Event of Default under this Loan Agreement.

(a) Automatic Events of Default.

Any of the following shall constitute an automatic Event of Default:

(1) (a) The Borrower's failure to pay, or to cause to be paid, (i) any regular monthly payment of principal and interest under the Note, together with any required Monthly Replacement Reserve Deposit or Imposition Deposit Payment, on or before the tenth (10th) day of the month in which it is due, or (ii) any other scheduled payment under the Note, this Loan Agreement or any other Loan Document.

(b) The Borrower's failure to pay, or to cause to be paid, the Indebtedness when the Loan matures by acceleration under Section 14.02, because of a transfer or encumbrance under Article 11, or by lapse of time.

(c) The Borrower's failure to pay, or to cause to be paid, within five (5) Business Days of the Lender's demand, any other amount required under the Note, this Loan Agreement or any of the other Loan Documents.

(2) any failure by Borrower to maintain the insurance coverage required by any Loan Document; provided, however, that Borrower will have five (5) days to correct any non-material issues with any insurance policy that do not result in a lapse of coverage;

(3) any failure by Borrower to comply with the provisions of Section 4.02(d) relating to its single asset status;

(4) if any warranty, representation, certification, or statement of Borrower, Guarantor, or Key Principal in this Loan Agreement or any of the other Loan Documents is false, inaccurate, or misleading in any material respect when made, unless such misrepresentation was unintentional and the Borrower promptly commences and diligently pursues a cure of the misrepresentation approved by the Lender, and completes

the cure within thirty (30) days. Any such cure shall place the Lender in the risk position that would have existed had the false representation been true when made;

(5) fraud, gross negligence, willful misconduct, or material misrepresentation or material omission by or on behalf of Borrower, Guarantor, or Key Principal or any of their officers, directors, trustees, partners, members, or managers in connection with:

(A) the application for, or creation of, the Indebtedness;

(B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Mortgage Loan; or

(C) any request for Lender's consent to any proposed action, including a request for disbursement of Reserve/Escrow Account Funds or Collateral Account Funds;

(6) the occurrence of any Transfer not permitted by the Loan Documents;

(7) the occurrence of a Bankruptcy Event;

(8) the commencement of a forfeiture action or other similar proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Loan Agreement or the Security Instrument or Lender's interest in the Mortgaged Property;

(9) if Borrower, Guarantor, or Key Principal is a trust, or if Control of Borrower, Guarantor, or Key Principal is Transferred or if a Restricted Ownership Interest in Borrower, Guarantor, or Key Principal would be Transferred due to the termination or revocation of a trust, the termination or revocation of such trust, except as set forth in Section 11.03(d);

(10) Intentionally Omitted; or

(11) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust, or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable.

(b) Events of Default Subject to a Specified Cure Period.

Any of the following shall constitute an Event of Default subject to the cure period set forth in the Loan Documents:

(1) if Key Principal or Guarantor is a natural person, the death of such individual, unless all requirements of Section 11.03(e) are met;

(2) the occurrence of a Guarantor Bankruptcy Event, unless requirements of Section 11.03(f) are met;

(3) any failure by Borrower, Key Principal, or Guarantor to comply with the provisions of Section 5.02(b) and Section 5.02(c); or

(4) any failure by Borrower to perform any obligation under this Loan Agreement or any Loan Document that is subject to a specified written notice and cure period, which failure continues beyond such specified written notice and cure period as set forth herein or in the applicable Loan Document.

(c) Events of Default Subject to Extended Cure Period.

The following shall constitute an Event of Default if the existence of such condition or event, or such failure to perform or default in performance continues for a period of thirty (30) days after written notice by Lender to Borrower of the existence of such condition or event, or of such failure to perform or default in performance, provided, however, such period may be extended for up to an additional thirty (30) days if Borrower, in the discretion of Lender, is diligently pursuing a cure of such; provided, further, however, no such written notice, grace period, or extension shall apply if, in Lender's discretion, immediate exercise by Lender of a right or remedy under this Loan Agreement or any Loan Document is required to avoid harm to Lender or impairment of the Mortgage Loan (including the Loan Documents), the Mortgaged Property or any other security given for the Mortgage Loan:

(1) any failure by Borrower to perform any of its obligations under this Loan Agreement or any Loan Document (other than those specified in Section 14.01(a) or Section 14.01(b) above) as and when required.

Section 14.02 Remedies.

(a) Acceleration; Foreclosure.

If an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any Accrued Interest, interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other Indebtedness, at the option of Lender, shall immediately become due and payable, without any prior written notice to Borrower, unless applicable law requires otherwise (and in such case, after any required written notice has been given). Lender may exercise this option to accelerate regardless of any prior forbearance. In addition, Lender shall have all rights and remedies afforded to it hereunder and under the other Loan Documents, including, foreclosure on and/or the power of sale of the Mortgaged Property, as provided in the Security Instrument, and any rights and remedies available to it at law or in equity (subject to Borrower's statutory rights of reinstatement, if any, prior to a Foreclosure Event). Any proceeds of a foreclosure or other sale under this Loan Agreement or any other Loan Document may be held and applied by Lender as additional collateral for the Indebtedness pursuant to this Loan Agreement. Notwithstanding the foregoing, the occurrence of any Bankruptcy Event shall automatically accelerate the Mortgage Loan and all obligations and Indebtedness shall be immediately due and payable without written notice or further action by Lender. If the subject Event of Default has arisen solely from a failure by the Borrower to make a regular scheduled monthly payment of principal and interest, the Lender shall not accelerate

the Indebtedness unless the Lender shall have given the Borrower at least three (3) Business Days' advance notice of its intent to do so.

(b) Loss of Right to Disbursements from Collateral Accounts.

If an Event of Default has occurred and is continuing, Borrower shall immediately lose all of its rights to receive disbursements from the Reserve/Escrow Accounts and any Collateral Accounts. During the continuance of any such Event of Default, Lender may use the Reserve/Escrow Account Funds and any Collateral Account Funds (or any portion thereof) for any purpose, including:

- (1) repayment of the Indebtedness, including principal prepayments and the Prepayment Premium applicable to such full or partial prepayment, as applicable (however, such application of funds shall not cure or be deemed to cure any Event of Default);
- (2) reimbursement of Lender for all losses and expenses (including reasonable legal fees) suffered or incurred by Lender as a result of such Event of Default;
- (3) completion of the Replacement or for any other replacement or repair to the Mortgaged Property; and
- (4) payment of any amount expended in exercising (and the exercise of) all rights and remedies available to Lender at law or in equity or under this Loan Agreement or under any of the other Loan Documents.

Nothing in this Loan Agreement shall obligate Lender to apply all or any portion of the Reserve/Escrow Account Funds or Collateral Account Funds on account of any Event of Default by Borrower or to repayment of the Indebtedness or in any specific order of priority.

(c) Remedies Cumulative.

Each right and remedy provided in this Loan Agreement is distinct from all other rights or remedies under this Loan Agreement or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of additional default by Borrower in order to exercise any of its remedies with respect to an Event of Default.

Section 14.03 Additional Lender Rights; Forbearance.

(a) No Effect Upon Obligations.

Lender may, but shall not be obligated to, agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, Guarantor, Key Principal, or other third party obligor, to take any of the following actions:

- (1) the time for payment of the principal of or interest on the Indebtedness may be extended, or the Indebtedness may be renewed in whole or in part;
- (2) the rate of interest on or period of amortization of the Mortgage Loan or the amount of the Monthly Debt Service Payments payable under the Loan Documents may be modified;
- (3) the time for Borrower's performance of or compliance with any covenant or agreement contained in any Loan Document, whether presently existing or hereinafter entered into, may be extended or such performance or compliance may be waived;
- (4) any or all payments due under this Loan Agreement or any other Loan Document may be reduced;
- (5) any Loan Document may be modified or amended by Lender and Borrower in any respect, including an increase in the principal amount of the Mortgage Loan;
- (6) any amounts under this Loan Agreement or any other Loan Document may be released;
- (7) any security for the Indebtedness may be modified, exchanged, released, surrendered, or otherwise dealt with, or additional security may be pledged or mortgaged for the Indebtedness;
- (8) the payment of the Indebtedness or any security for the Indebtedness, or both, may be subordinated to the right to payment or the security, or both, of any other present or future creditor of Borrower; or
- (9) any other terms of the Loan Documents may be modified.

(b) No Waiver of Rights or Remedies.

Any waiver of an Event of Default or forbearance by Lender in exercising any right or remedy under this Loan Agreement or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of any other Event of Default or preclude the exercise or failure to exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise or failure to exercise of any other right available to Lender. Lender's receipt of any insurance proceeds or amounts in connection with a Condemnation Action shall not operate to cure or waive any Event of Default.

(c) Appointment of Lender as Attorney-In-Fact.

Borrower hereby irrevocably makes, constitutes, and appoints Lender (and any officer of Lender or any Person designated by Lender for that purpose) as Borrower's true and lawful proxy and attorney-in-fact (and agent-in-fact) in Borrower's name, place, and stead, with full power of substitution, to:

- (1) use any of the funds in the Replacement Reserve Account for the purpose of making or completing the Replacements;
- (2) make such additions, changes, and corrections to the Replacements as shall be necessary or desirable to complete the Replacements;
- (3) employ such contractors, subcontractors, agents, architects, and inspectors as shall be required for such purposes;
- (4) pay, settle, or compromise all bills and claims for materials and work performed in connection with the Replacements, or as may be necessary or desirable for the completion of the Replacements, or for clearance of title;
- (5) adjust and compromise any claims under any and all policies of insurance required pursuant to this Loan Agreement and any other Loan Document, subject only to Borrower's rights under this Loan Agreement;
- (6) appear in and prosecute any action arising from any insurance policies;
- (7) collect and receive the proceeds of insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds;
- (8) commence, appear in, and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation;
- (9) settle or compromise any claim in connection with any condemnation;
- (10) execute all applications and certificates in the name of Borrower which may be required by any of the contract documents;
- (11) prosecute and defend all actions or proceedings in connection with the Mortgaged Property or the rehabilitation and repair of the Mortgaged Property;
- (12) take such actions as are permitted in this Loan Agreement and any other Loan Documents;
- (13) execute such financing statements and other documents and to do such other acts as Lender may require to perfect and preserve Lender's security interest in, and to enforce such interests in, the collateral; and

(14) carry out any remedy provided for in this Loan Agreement and any other Loan Documents, including endorsing Borrower's name to checks, drafts, instruments and other items of payment and proceeds of the collateral, executing change of address forms with the postmaster of the United States Post Office serving the address of Borrower, changing the address of Borrower to that of Lender, opening all envelopes addressed to Borrower, and applying any payments contained therein to the Indebtedness.

Borrower hereby acknowledges that the constitution and appointment of such proxy and attorney-in-fact are coupled with an interest and are irrevocable and shall not be affected by the disability or incompetence of Borrower. Borrower specifically acknowledges and agrees that this power of attorney granted to Lender may be assigned by Lender to Lender's successors or assigns as holder of the Note (and the other Loan Documents). The foregoing powers conferred on Lender under this Section 14.03(c) shall not impose any duty upon Lender to exercise any such powers and shall not require Lender to incur any expense or take any action. Borrower hereby ratifies and confirms all that such attorney-in-fact may do or cause to be done by virtue of any provision of this Loan Agreement and any other Loan Documents.

Notwithstanding the foregoing provisions, Lender shall not exercise its rights as set forth in this Section 14.03(c) unless: (A) an Event of Default has occurred and is continuing, or (B) Lender determines, in its discretion, that exigent circumstances exist or that such exercise is necessary or prudent in order to protect and preserve the Mortgaged Property, or Lender's lien priority and security interest in the Mortgaged Property.

(d) Borrower Waivers.

If more than one Person signs this Loan Agreement as Borrower, each Borrower, with respect to any other Borrower, hereby agrees that Lender, in its discretion, may:

- (1) bring suit against Borrower, or any one or more of Borrower, jointly and severally, or against any one or more of them;
- (2) compromise or settle with any one or more of the persons constituting Borrower, for such consideration as Lender may deem proper;
- (3) release one or more of the persons constituting Borrower, from liability; or
- (4) otherwise deal with Borrower, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from any Borrower the full amount of the Indebtedness.

Section 14.04 Waiver of Marshaling.

Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Loan Agreement, any other Loan Document or applicable law. Lender shall have the right to determine the order in which all or any part of the Indebtedness is satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future

acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Loan Agreement waives any and all right to require the marshaling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Loan Agreement or any other Loan Documents.

Lender shall account for any moneys received by Lender in respect of any foreclosure on or disposition of collateral hereunder and under the other Loan Documents provided that Lender shall not have any duty as to any collateral, and Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers. NONE OF LENDER OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR REPRESENTATIVES SHALL BE RESPONSIBLE TO BORROWER (a) FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, EXCEPT IN RESPECT OF DAMAGES ATTRIBUTABLE SOLELY TO THEIR OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AS FINALLY DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE COURT ORDER BY A COURT OF COMPETENT JURISDICTION, NOR (b) FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

ARTICLE 15 MISCELLANEOUS

Section 15.01 Governing Law; Consent to Jurisdiction and Venue.

(a) Governing Law.

This Loan Agreement and any other Loan Document which does not itself expressly identify the law that is to apply to it, shall be governed by the laws of the Property Jurisdiction without regard to the application of choice of law principles.

(b) Venue.

Any controversy arising under or in relation to this Loan Agreement or any other Loan Document shall be litigated exclusively in the Property Jurisdiction without regard to conflicts of laws principles. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Loan Agreement or any other Loan Document. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence, or otherwise.

Section 15.02 Notice.

(a) Process of Serving Notice.

Except as otherwise set forth herein or in any other Loan Document, all notices under this Loan Agreement and any other Loan Document shall be:

- (1) in writing and shall be:

- (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;
- (2) addressed to the intended recipient at Borrower's Notice Address and Lender's Notice Address, as applicable; and
- (3) deemed given on the earlier to occur of:
- (A) the date when the notice is received by the addressee; or
 - (B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or such express courier service.

(b) Change of Address.

Any party to this Loan Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified on the Summary of Loan Terms in accordance with this Section 15.02; provided such change of address shall not be effective until fifteen (15) Business Days after delivery of such change.

(c) Default Method of Notice.

Any required notice under this Loan Agreement or any other Loan Document which does not specify how notices are to be given shall be given in accordance with this Section 15.02.

(d) Receipt of Notices.

Neither Borrower nor Lender shall refuse or reject delivery of any notice given in accordance with this Loan Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

Section 15.03 Successors and Assigns Bound; Sale of Mortgage Loan.

(a) Binding Agreement.

This Loan Agreement shall bind, and the rights granted by this Loan Agreement shall inure to, the successors and assigns of Lender and the permitted successors and assigns of Borrower. However, a Transfer not permitted by this Loan Agreement shall be an Event of Default and shall be void ab initio.

(b) Sale of Mortgage Loan; Change of Servicer.

Nothing in this Loan Agreement shall limit Lender's (including its successors and assigns) right to sell, pledge, assign or otherwise transfer the Mortgage Loan or any interest in or portion of the Mortgage Loan or grant participation interests therein or further divide the Mortgage Loan into two or more separate notes or components, or issue mortgage pass-through certificates or other securities. The Mortgage Loan or a partial interest in the Mortgage Loan (together with this Loan Agreement and the other Loan Documents) may be sold or pledged one or more times without prior written notice to Borrower. A sale or pledge may result in a change of the Loan Servicer.

Section 15.04 Counterparts.

This Loan Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document and all such counterparts shall be construed together and shall constitute one instrument.

Section 15.05 Joint and Several (or Solidary) Liability.

If more than one Person signs this Loan Agreement as Borrower, the obligations of such Persons shall be joint and several (solidary instead for purposes of Louisiana law).

Section 15.06 Relationship of Parties; No Third Party Beneficiary.

(a) Solely Creditor and Debtor.

The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Loan Agreement shall create any other relationship between Lender and Borrower. Nothing contained in this Loan Agreement shall constitute Lender as a joint venturer, partner, or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations, or contracts of Borrower.

(b) No Third Party Beneficiaries.

No creditor of any party to this Loan Agreement and no other Person shall be a third party beneficiary of this Loan Agreement or any other Loan Document or any account created or contemplated under this Loan Agreement or any other Loan Document. Nothing contained in this Loan Agreement shall be deemed or construed to create an obligation on the part of Lender to any third party nor shall any third party have a right to enforce against Lender any right that Borrower may have under this Loan Agreement. Without limiting the foregoing:

- (1) any Servicing Arrangement between Lender and any Loan Servicer shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness;
- (2) Borrower shall not be a third party beneficiary of any Servicing Arrangement; and

(3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

Section 15.07 Severability; Entire Agreement; Amendments.

The invalidity or unenforceability of any provision of this Loan Agreement or any other Loan Document shall not affect the validity or enforceability of any other provision of this Loan Agreement or of any other Loan Document, all of which shall remain in full force and effect, including the Guaranty. This Loan Agreement contains the complete and entire agreement among the parties as to the matters covered, rights granted, and the obligations assumed in this Loan Agreement. This Loan Agreement may not be amended or modified except by written agreement signed by the parties hereto.

Section 15.08 Construction.

(a) The captions and headings of the sections of this Loan Agreement and the Loan Documents are for convenience only and shall be disregarded in construing this Loan Agreement and the Loan Documents.

(b) Any reference in this Loan Agreement to an “Exhibit” or “Schedule” or a “Section” or an “Article” shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit or Schedule attached to this Loan Agreement or to a Section or Article of this Loan Agreement.

(c) Any reference in this Loan Agreement to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time.

(d) Use of the singular in this Loan Agreement includes the plural and use of the plural includes the singular.

(e) As used in this Loan Agreement, the term “including” means “including, but not limited to” or “including, without limitation,” and is for example only and not a limitation.

(f) Whenever Borrower’s knowledge is implicated in this Loan Agreement or the phrase “to Borrower’s knowledge” or a similar phrase is used in this Loan Agreement, Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of Borrower’s knowledge after reasonable and diligent inquiry and investigation.

(g) Unless otherwise provided in this Loan Agreement, if Lender’s approval, designation, determination, selection, estimate, action, or decision is required, permitted, or contemplated hereunder, such approval, designation, determination, selection, estimate, action, or decision shall be made in Lender’s sole and absolute discretion.

(h) All references in this Loan Agreement to a separate instrument or agreement shall include such instrument or agreement as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(i) “Lender may” shall mean at Lender’s discretion, but shall not be an obligation.

(j) If the Mortgage Loan proceeds are disbursed on a date that is later than the Effective Date, as described in Section 2.02(a)(1), the representations and warranties in the Loan Documents with respect to the ownership and operation of the Mortgaged Property shall be deemed to be made as of the disbursement date.

Section 15.09 Mortgage Loan Servicing.

All actions regarding the servicing of the Mortgage Loan, including the collection of payments, the giving and receipt of notice, inspections of the Mortgaged Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such written notice from Lender shall govern. The Loan Servicer may change from time to time (whether related or unrelated to a sale of the Mortgage Loan). If there is a change of the Loan Servicer, Borrower will be given written notice of the change.

Section 15.10 Disclosure of Information.

Lender may furnish information regarding Borrower, Key Principal, or Guarantor, or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase, pledge or securitization of the Mortgage Loan, including Investors, trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of multifamily mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

Section 15.11 Waiver; Conflict.

No specific waiver of any of the terms of this Loan Agreement shall be considered as a general waiver. If any provision of this Loan Agreement is in conflict with any provision of any other Loan Document, the provision contained in this Loan Agreement shall control.

Section 15.12 No Reliance.

Borrower acknowledges, represents, and warrants that:

(a) it understands the nature and structure of the transactions contemplated by this Loan Agreement and the other Loan Documents;

(b) it is familiar with the provisions of all of the documents and instruments relating to such transactions;

(c) it understands the risks inherent in such transactions, including the risk of loss of all or any part of the Mortgaged Property;

(d) it has had the opportunity to consult counsel; and

(e) it has not relied on Lender for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement or any other Loan Document or otherwise relied on Lender in any manner in connection with interpreting, entering into, or otherwise in connection with this Loan Agreement, any other Loan Document, or any of the matters contemplated hereby or thereby.

Section 15.13 Subrogation.

If, and to the extent that, the proceeds of the Mortgage Loan are used to pay, satisfy, or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust, or other lien encumbering the Mortgaged Property, such Mortgage Loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by such prior lien, whether or not such prior lien is released.

Section 15.14 Counting of Days.

Except where otherwise specifically provided, any reference in this Loan Agreement to a period of "days" means calendar days, not Business Days. If the date on which Borrower is required to perform an obligation under this Loan Agreement is not a Business Day, Borrower shall be required to perform such obligation by the Business Day immediately preceding such date; provided, however, in respect of any Payment Date, or if the Maturity Date is other than a Business Day, Borrower shall be obligated to make such payment by the Business Day immediately preceding such date.

Section 15.15 Revival and Reinstatement of Indebtedness.

If the payment of all or any part of the Indebtedness by Borrower, Guarantor, or any other Person, or the transfer to Lender of any collateral or other property should for any reason subsequently be declared to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Insolvency Laws relating to a Voidable Transfer, and if Lender is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of its counsel, then the amount of such Voidable Transfer or the amount of such Voidable Transfer that Lender is required or elects to repay or restore, including all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection therewith, and the Indebtedness shall automatically shall be revived, reinstated, and restored by such amount and shall exist as though such Voidable Transfer had never been made.

Section 15.16 Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Loan Agreement and the other Loan Documents, time is of the essence.

Section 15.17 Final Agreement.

THIS LOAN AGREEMENT ALONG WITH ALL OF THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES WITH

RESPECT TO THE SUBJECT MATTER HEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Loan Agreement and the other Loan Documents. This Loan Agreement, the other Loan Documents, and any of their provisions may not be waived, modified, amended, discharged, or terminated except by an agreement in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that agreement.

Section 15.18 WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER AND LENDER (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER, THAT IS TRIABLE OF RIGHT BY A JURY, AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

Section 15.19 RELEASE OF CLAIMS

The Borrower hereby RELEASES, DISCHARGES and ACQUITS forever the Lender and its officers, directors, trustees, agents, employees and counsel (in each case, past, present or future) from any and all Claims existing as of the Effective Date (or the date of actual execution hereof by the Borrower, if later). As used herein, the term “**Claim**” shall mean any and all liabilities, claims, defenses, demands, actions, causes of action, judgments, deficiencies, interest, liens, costs or expenses (including court costs, penalties, attorneys’ fees and disbursements, and amounts paid in settlement) of any kind and character whatsoever, including claims for usury, breach of contract, breach of commitment, negligent misrepresentation or failure to act in good faith, in each case whether now known or unknown, suspected or unsuspected, asserted or unasserted or primary or contingent, and whether arising out of written documents, unwritten undertakings, course of conduct, tort, violations of laws or regulations or otherwise.

Section 15.20 HOMESTEAD.

To the maximum extent permitted by law, the Borrower irrevocably and unconditionally WAIVES and RELEASES and present or future rights to any homestead and exemption rights provision by the Constitution of the United States and of the state where the Mortgaged Property is located.


[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Loan Agreement under seal (where applicable) or have caused this Loan Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower and Lender intend that this Loan Agreement shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By:  (SEAL)
Name: MICHAEL COSTA
Title: CEO

By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By: _____ (SEAL)
Name: _____
Title: _____

IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Loan Agreement under seal (where applicable) or have caused this Loan Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower and Lender intend that this Loan Agreement shall be deemed to be signed and delivered as a sealed instrument.

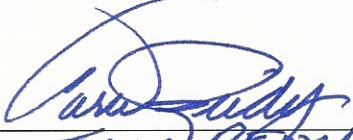
BORROWER:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: _____ (SEAL)
Name: _____
Title: _____

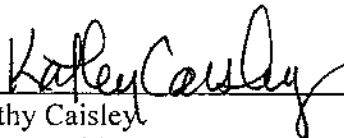
By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By:  (SEAL)
Name: SARA DEPY
Title: President

IN WITNESS WHEREOF, Borrower and Lender have signed and delivered this Loan Agreement under seal (where applicable) or have caused this Loan Agreement to be signed and delivered under seal (where applicable) by their duly authorized representatives. Where applicable law so provides, Borrower and Lender intend that this Loan Agreement shall be deemed to be signed and delivered as a sealed instrument.

LENDER:

BANK OF AMERICA, N.A.

By:  (SEAL)
Name: Kathy Caisley
Title: Vice President

SCHEDULE 1 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

Definitions Schedule
(Interest Rate Type – Fixed Rate)

Capitalized terms used in the Loan Agreement have the meanings given to such terms in this Definitions Schedule.

“**Accrued Interest**” means unpaid interest, if any, on the Mortgage Loan that has not been added to the unpaid principal balance of the Mortgage Loan pursuant to Section 2.02(b) (Capitalization of Accrued But Unpaid Interest) of the Loan Agreement.

“**Additional Lender Replacements**” means replacements of the type listed on the Required Replacement Schedule but not otherwise identified thereon that are determined advisable by Lender to keep the Mortgaged Property in good order and repair (ordinary wear and tear excepted) and in good marketable condition or to prevent deterioration of the Mortgaged Property.

“**Amortization Period**” has the meaning set forth in the Summary of Loan Terms.

“**Amortization Type**” has the meaning set forth in the Summary of Loan Terms.

“**Bank Secrecy Act**” means the Bank Secrecy Act of 1970, as amended (e.g., 31 U.S.C. Sections 5311-5330).

“**Bankruptcy Event**” means any one or more of the following:

- (a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Borrower;
- (b) the acknowledgment in writing by Borrower (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;
- (c) the making of a general assignment for the benefit of creditors by Borrower;
- (d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Borrower; or
- (e) the appointment of a receiver (other than a receiver appointed at the direction or request of Lender under the terms of the Loan Documents), liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Borrower or any substantial part of the assets of Borrower;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Bankruptcy Event until the ninetieth (90th) day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation of (1) Borrower, Guarantor, or Key Principal, (2) any Person Controlling Borrower, Guarantor, or

Key Principal, or (3) any Person Controlled by or under common Control with Borrower, Guarantor, or Key Principal (in which event such case or proceeding shall be a Bankruptcy Event immediately).

“Borrower” means, individually (and jointly and severally (solidarily instead for purposes of Louisiana law) if more than one), the entity (or entities) identified as **“Borrower”** in the first paragraph of the Loan Agreement.

“Borrower Affiliate” means, as to Borrower, Guarantor or Key Principal:

(a) any Person that owns any direct ownership interest in Borrower, Guarantor or Key Principal;

(b) any Person that indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in Borrower, Guarantor or Key Principal;

(c) any Person Controlled by, under common Control with, or which Controls, Borrower, Guarantor or Key Principal;

(d) any entity in which Borrower, Guarantor or Key Principal directly or indirectly owns, with the power to vote, twenty percent (20%) or more of the ownership interests in such entity, or

(e) any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower, Guarantor or Key Principal.

“Borrower Requested Replacements” means replacements not listed on the Required Replacement Schedule requested by Borrower to be reimbursed from the Replacement Reserve Account and determined advisable by Lender to keep the Mortgaged Property in good order and repair and in a good marketable condition or to prevent deterioration of the Mortgaged Property.

“Borrower’s General Business Address” has the meaning set forth in the Summary of Loan Terms.

“Borrower’s Notice Address” has the meaning set forth in the Summary of Loan Terms.

“Business Day” means any day other than (i) a Saturday or Sunday or (ii) a day on which banking and savings and loan institutions in the States of Minnesota, North Carolina, New York, or California are authorized or obligated by law or executive order to be closed.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

“Collateral Account Funds” means, collectively, the funds on deposit in any or all of the Collateral Accounts, including the Reserve/Escrow Account Funds.

“Collateral Accounts” means any account designated as such by Lender pursuant to a Collateral Agreement or as established pursuant to this Loan Agreement, including the Reserve/Escrow Account.

“Collateral Agreement” means any separate agreement between Borrower and Lender for the establishment of any other fund, reserve or account.

“Completion Period” has the meaning set forth in the Summary of Loan Terms.

“Condemnation Action” has the meaning set forth in the Security Instrument.

“Control” (including with correlative meanings, such as “Controlling,” “Controlled by” and “under common Control with”) means, as applied to any entity, the possession, directly or indirectly, of the power to direct or cause the direction of the management and operations of such entity, whether through the ownership of voting securities or other ownership interests, by contract or otherwise.

“Credit Score” means a numerical value or a categorization derived from a statistical tool or modeling system used to measure credit risk and predict the likelihood of certain credit behaviors, including default.

“Debt Service Amounts” means the Monthly Debt Service Payments and all other amounts payable under the Loan Agreement, the Note, the Security Instrument or any other Loan Document.

“Default Rate” means an interest rate equal to the lesser of:

- (a) the sum of the Interest Rate plus seven (7) percentage points; or
- (b) the maximum interest rate which may be collected from Borrower under applicable law.

“Definitions Schedule” means this Schedule 1 (Definitions Schedule) to the Loan Agreement.

“Effective Date” has the meaning set forth in the Summary of Loan Terms.

“Employee Benefit Plan” means a plan described in Section 3(3) of ERISA, regardless of whether the plan is subject to ERISA.

“Enforcement Costs” has the meaning set forth in the Security Instrument.

“Environmental Indemnity Agreement” means that certain Environmental Indemnity Agreement dated as of the Effective Date made by Borrower to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented, or otherwise modified from time to time.

“**Environmental Inspections**” has the meaning set forth in the Environmental Indemnity Agreement.

“**Environmental Laws**” has the meaning set forth in the Environmental Indemnity Agreement.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” shall mean, with respect to Borrower, any entity that, together with Borrower, would be treated as a single employer under Section 414(b) or (c) of the Internal Revenue Code, or Section 4001(a)(14) of ERISA, or the regulations thereunder.

“**ERISA Plan**” means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (or related trust) that is subject to the requirements of Title IV of ERISA, Sections 430 or 431 of the Internal Revenue Code, or Sections 302, 303, or 304 of ERISA, which is maintained or contributed to by Borrower or its ERISA Affiliates.

“**Event of Default**” means the occurrence of any event listed in Section 14.01 (Events of Default) of the Loan Agreement.

“**Exceptions to Representations and Warranties Schedule**” means that certain Schedule 7 (Exceptions to Representations and Warranties Schedule) to the Loan Agreement.

“**First Payment Date**” has the meaning set forth in the Summary of Loan Terms.

“**First Principal and Interest Payment Date**” has the meaning set forth in the Summary of Loan Terms, if applicable.

“**Fixed Rate**” has the meaning set forth in the Summary of Loan Terms.

“**Fixtures**” has the meaning set forth in the Security Instrument.

“**Foreclosure Event**” means:

- (a) foreclosure under the Security Instrument;
- (b) any other exercise by Lender of rights and remedies (whether under the Security Instrument or under applicable law, including Insolvency Laws) as holder of the Mortgage Loan and/or the Security Instrument, as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of the Mortgaged Property;
- (c) delivery by Borrower to Lender (or its designee or nominee) of a deed or other conveyance of Borrower’s interest in the Mortgaged Property in lieu of any of the foregoing; or
- (d) in Louisiana, any dation en paiement.

“**Governmental Authority**” means any court, board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that

has or acquires jurisdiction over Borrower or the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

“**Guarantor**” means, individually and collectively, any guarantor of the Indebtedness or any other obligation of Borrower under any Loan Document.

“**Guarantor Bankruptcy Event**” means any one or more of the following:

- (a) the commencement, filing or continuation of a voluntary case or proceeding under one or more of the Insolvency Laws by Guarantor;
- (b) the acknowledgment in writing by Guarantor (other than to Lender in connection with a workout) that it is unable to pay its debts generally as they mature;
- (c) the making of a general assignment for the benefit of creditors by Guarantor;
- (d) the commencement, filing or continuation of an involuntary case or proceeding under one or more Insolvency Laws against Guarantor; or
- (e) the appointment of a receiver, liquidator, custodian, sequestrator, trustee or other similar officer who exercises control over Guarantor or any substantial part of the assets of Guarantor, as applicable;

provided, however, that any proceeding or case under (d) or (e) above shall not be a Guarantor Bankruptcy Event until the ninetieth (90th) day after filing (if not earlier dismissed) so long as such proceeding or case occurred without the consent, encouragement or active participation of (1) Borrower, Guarantor or Key Principal, (2) any Person Controlling Borrower, Guarantor or Key Principal, or (3) any Person Controlled by or under common Control with Borrower, Guarantor or Key Principal (in which event such case or proceeding shall be a Guarantor Bankruptcy Event immediately).

“**Guarantor’s General Business Address**” has the meaning set forth in the Summary of Loan Terms.

“**Guarantor’s Notice Address**” has the meaning set forth in the Summary of Loan Terms.

“**Guaranty**” means, individually and collectively, any Payment Guaranty, Non-Recourse Guaranty or other guaranty executed by Guarantor in connection with the Mortgage Loan.

“**Immediate Family Members**” means a child, stepchild, grandchild, spouse, sibling, or parent, each of whom is not a Prohibited Person.

“**Imposition Deposits**” has the meaning set forth in the Security Instrument.

“**Impositions**” has the meaning set forth in the Security Instrument.

“**Improvements**” has the meaning set forth in the Security Instrument.

“**Indebtedness**” has the meaning set forth in the Security Instrument.

“**Initial Replacement Reserve Deposit**” has the meaning set forth in the Summary of Loan Terms.

“**Insolvency Laws**” means the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq., together with any other federal or state law affecting debtor and creditor rights or relating to the bankruptcy, insolvency, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar laws, proceedings, or equitable principles affecting the enforcement of creditors’ rights, as amended from time to time.

“**Insolvent**” means:

(a) that the sum total of all of a specified Person’s liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of such Person’s non-exempt assets, i.e., all of the assets of such Person that are available to satisfy claims of creditors; or

(b) such Person’s inability to pay its debts as they become due.

“**Intended Prepayment Date**” means the date upon which Borrower intends to make a prepayment on the Mortgage Loan, as set forth in the Prepayment Notice.

“**Interest Accrual Method**” has the meaning set forth in the Summary of Loan Terms.

“**Interest Only Term**” has the meaning set forth in the Summary of Loan Terms.

“**Interest Rate**” means the Fixed Rate.

“**Interest Rate Type**” has the meaning set forth in the Summary of Loan Terms.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended.

“**Investor**” means any Person to whom Lender intends to sell, pledge, deliver, assign or otherwise transfer the Mortgage Loan (or any interest therein) or a participant in the Mortgage Loan.

“**Key Principal**” means, collectively:

(a) the natural person(s) or entity that Controls Borrower that Lender determines is critical to the successful operation and management of Borrower and the Mortgaged Property, as identified as such in the Summary of Loan Terms; or

(b) any natural person or entity who becomes a Key Principal after the date of the Loan Agreement and is identified as such in an assumption agreement, or another amendment or supplement to the Loan Agreement.

“**Key Principal’s General Business Address**” has the meaning set forth in the Summary of Loan Terms.

“**Key Principal’s Notice Address**” has the meaning set forth in the Summary of Loan Terms.

“**Land**” means the land described in Exhibit A to the Security Instrument.

“**Last Interest Only Payment Date**” has the meaning set forth in the Summary of Loan Terms, if applicable.

“**Late Charge**” means an amount equal to the delinquent amount then due under the Loan Documents multiplied by five percent (5%).

“**Leases**” has the meaning set forth in the Security Instrument.

“**Lender**” means the entity identified as “**Lender**” in the first paragraph of the Loan Agreement and its transferees, successors and assigns, or any subsequent holder of the Note.

“**Lender’s General Business Address**” has the meaning set forth in the Summary of Loan Terms.

“**Lender’s Notice Address**” has the meaning set forth in the Summary of Loan Terms.

“**Lender’s Payment Address**” has the meaning set forth in the Summary of Loan Terms.

“**Lien**” has the meaning set forth in the Security Instrument.

“**Loan Agreement**” means the Multifamily Loan and Security Agreement dated as of the Effective Date executed by and between Borrower and Lender to which this Definitions Schedule is attached, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Loan Amount**” has the meaning set forth in the Summary of Loan Terms.

“**Loan Application**” means the application for the Mortgage Loan submitted by Borrower to Lender.

“**Loan Documents**” means the Note, the Loan Agreement, the Security Instrument, the Environmental Indemnity Agreement, the Guaranty, all guaranties, all indemnity agreements, all Collateral Agreements, all O&M Plans, and any other documents now or in the future executed by Borrower, Guarantor, Key Principal, any other guarantor or any other Person in connection with the Mortgage Loan, as such documents may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“**Loan Servicer**” means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, the Loan Agreement, the Security Instrument and any other Loan Document, and otherwise to service the Mortgage Loan for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer shall be the Lender originally named on the Summary of Loan Terms.

“**Loan Term**” has the meaning set forth in the Summary of Loan Terms.

“**Loan Year**” has the meaning set forth in the Summary of Loan Terms.

“**Material Commercial Lease**” means any non-Residential Lease, including any master lease (which term “**master lease**” shall include any master lease to a single corporate tenant), other than:

(a) a non-Residential Lease that comprises less than five percent (5%) of total gross income of the Mortgaged Property on an annualized basis, so long as the lease is not a cell tower lease, a solar (power) lease or a solar power purchase agreement;

(b) a cable television lease or broadband network lease with a lessee that is not a Borrower Affiliate, Key Principal or Guarantor;

(c) storage units leased pursuant to any Residential Lease; or

(d) a laundry lease where Borrower is the lessor, so long as:

(1) the lessee is not a Borrower Affiliate, Key Principal or Guarantor;

(2) the rent payable is not below-market (as determined by Lender); and

(3) such laundry lease is terminable for cause by lessor.

“**Maturity Date**” has the meaning set forth in the Summary of Loan Terms.

“**Maximum Inspection Fee**” has the meaning set forth in the Summary of Loan Terms.

“**Maximum Replacement Reserve Disbursement Interval**” has the meaning set forth in the Summary of Loan Terms.

“**Mezzanine Debt**” means a loan to a direct or indirect owner of Borrower secured by a pledge of such owner’s interest in an entity owning a direct or indirect interest in Borrower.

“**Minimum Replacement Reserve Disbursement Amount**” has the meaning set forth in the Summary of Loan Terms.

“**Monthly Debt Service Payment**” has the meaning set forth in the Summary of Loan Terms.

“**Monthly Replacement Reserve Deposit**” has the meaning set forth in the Summary of Loan Terms.

“**Mortgage Loan**” means the mortgage loan made by Lender to Borrower in the principal amount of the Note made pursuant to the Loan Agreement, evidenced by the Note and secured by the Loan Documents that are expressly stated to be security for the Mortgage Loan.

“**Mortgaged Property**” has the meaning set forth in the Security Instrument.

“Multifamily Project” has the meaning set forth in the Summary of Loan Terms.

“Multifamily Project Address” has the meaning set forth in the Summary of Loan Terms.

“Non-Recourse Guaranty” means, if applicable, that certain Guaranty of Non-Recourse Obligations of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Note” means that certain Multifamily Note of even date herewith in the original principal amount of the stated Loan Amount made by Borrower in favor of Lender, and all schedules, riders, allonges and addenda attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“O&M Plan” has the meaning set forth in the Environmental Indemnity Agreement.

“OFAC” means the United States Treasury Department, Office of Foreign Assets Control, and any successor thereto.

“Payment Date” means the First Payment Date and the first day of each month thereafter until the Mortgage Loan is fully paid.

“Payment Guaranty” means, if applicable, that certain Guaranty (Payment) of even date herewith executed by Guarantor to and for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Permitted Encumbrance” has the meaning set forth in the Security Instrument.

“Permitted Prepayment Date” means any Business Day of a calendar month.

“Person” means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

“Personal Property” means the Goods, accounts, choses of action, chattel paper, documents, general intangibles (including Software), payment intangibles, instruments, investment property, letter of credit rights, supporting obligations, computer information, source codes, object codes, records and data, all telephone numbers or listings, claims (including claims for indemnity or breach of warranty), deposit accounts and other property or assets of any kind or nature related to the Land or the Improvements, including operating agreements, surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements, and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land.

“Personalty” has the meaning set forth in the Security Instrument.

“Preferred Equity” means a direct or indirect equity ownership interest in, economic interests in, or rights with respect to, Borrower that provide an equity owner preferred dividend, distribution, payment or return treatment relative to other equity owners.

“Prepayment Lockout Period” has the meaning set forth in the Summary of Loan Terms.

“Prepayment Notice” means the written notice that Borrower is required to provide to Lender in accordance with Section 2.03 (Lockout/Prepayment) of the Loan Agreement in order to make a prepayment on the Mortgage Loan, which shall include, at a minimum, the Intended Prepayment Date.

“Prepayment Premium” means the amount payable by Borrower in connection with a prepayment of the Mortgage Loan, as provided in Section 2.03 (Lockout/Prepayment) of the Loan Agreement and calculated in accordance with the Prepayment Premium Schedule.

“Prepayment Premium Period End Date” or **“Yield Maintenance Period End Date”** has the meaning set forth in the Summary of Loan Terms.

“Prepayment Premium Period Term” or **“Yield Maintenance Period Term”** has the meaning set forth in the Summary of Loan Terms.

“Prepayment Premium Schedule” means that certain Schedule 4 (Prepayment Premium Schedule) to the Loan Agreement.

“Prohibited Person” means:

(a) any Person with whom Lender or Fannie Mae is prohibited from doing business pursuant to any law, rule, regulation, judicial proceeding or administrative directive; or

(b) any Person identified on the United States Department of Housing and Urban Development’s “Limited Denial of Participation, HUD Funding Disqualifications and Voluntary Abstentions List,” or on the General Services Administration’s “System for Award Management (SAM)” exclusion list, each of which may be amended from time to time, and any successor or replacement thereof; or

(c) any Person that is determined by Fannie Mae to pose an unacceptable credit risk due to the aggregate amount of debt of such Person owned or held by Fannie Mae; or

(d) any Person that has caused any unsatisfactory experience of a material nature with Fannie Mae or Lender, such as a default, fraud, intentional misrepresentation, litigation, arbitration or other similar act.

“Property Jurisdiction” has the meaning set forth in the Security Instrument.

“Property Square Footage” has the meaning set forth in the Summary of Loan Terms.

“Publicly-Held Corporation” means a corporation, the outstanding voting stock of which is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“Publicly-Held Trust” means a real estate investment trust, the outstanding voting shares or beneficial interests of which are registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended.

“REMIC Requirements” shall mean any applicable legal requirements relating to any REMIC Trust (including, without limitation, any constraints, rules and/or other regulations and/or requirements relating to the servicing, modification and/or other similar matters with respect to the Mortgage Loan (or any portion thereof and/or interest therein)).

“REMIC Trust” shall mean a **“real estate mortgage investment conduit”** within the meaning of Section 860D of the Code that holds the Note.

“Rents” has the meaning set forth in the Security Instrument.

“Replacement Reserve Account” means the account established by Lender into which the Replacement Reserve Deposits are deposited to fund the Replacements.

“Replacement Reserve Deposits” means the Initial Replacement Reserve Deposit, Monthly Replacement Reserve Deposits and any other deposits to the Replacement Reserve Account required by the Loan Agreement.

“Replacement Threshold” has the meaning set forth in the Summary of Loan Terms.

“Replacements” means, individually and collectively, the Required Replacements, Borrower Requested Replacements and Additional Lender Replacements.

“Required Replacement Schedule” means that certain Schedule 5 (Required Replacement Schedule) to the Loan Agreement.

“Required Replacements” means those items listed on the Required Replacement Schedule.

“Reserve/Escrow Account Funds” means, collectively, the funds on deposit in the Reserve/Escrow Accounts.

“Reserve/Escrow Accounts” means, the Replacement Reserve Account.

“Residential Lease” means a leasehold interest in an individual dwelling unit and shall not include any master lease.

“Restoration” means (A) in the case of a casualty resulting in damage or destruction to the Improvements, restoring and repairing the Mortgaged Property to the equivalent of its physical condition immediately prior to the casualty or to a condition approved by Lender following a casualty or (B) in the case of a Condemnation Action, the completion of such work

as may be necessary in order to remedy the effects of the condemnation so that the value and income generating characteristics of the Mortgaged Property are restored.

“Restricted Ownership Interest” means, with respect to any entity, the following:

(a) if such entity is a general partnership or a joint venture, fifty percent (50%) or more of all general partnership or joint venture interests in such entity;

(b) if such entity is a limited partnership:

(1) the interest of any general partner; or

(2) fifty percent (50%) or more of all limited partnership interests in such entity;

(c) if such entity is a limited liability company or a limited liability partnership:

(1) the interest of any managing member or the contractual rights of any non-member manager; or

(2) fifty percent (50%) or more of all membership or other ownership interests in such entity;

(d) if such entity is a corporation (other than a Publicly-Held Corporation) with only one class of voting stock, fifty percent (50%) or more of voting stock in such corporation;

(e) if such entity is a corporation (other than a Publicly-Held Corporation) with more than one class of voting stock, the amount of shares of voting stock sufficient to have the power to elect the majority of directors of such corporation; or

(f) if such entity is a trust (other than a land trust or a Publicly-Held Trust), the power to Control such trust vested in the trustee of such trust or the ability to remove, appoint or substitute the trustee of such trust (unless the trustee of such trust after such removal, appointment or substitution is a trustee identified in the trust agreement approved by Lender).

“Review Fee” means the non-refundable fee of Three Thousand Dollars (\$3,000) payable to Lender.

“Schedule of Interest Rate Type Provisions” means that certain Schedule 3 (Schedule of Interest Rate Type Provisions) to the Loan Agreement.

“Security Instrument” means that certain multifamily mortgage, deed to secure debt or deed of trust executed and delivered by Borrower as security for the Mortgage Loan and encumbering the Mortgaged Property, including all riders or schedules attached thereto, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Servicing Arrangement” means any arrangement between Lender and the Loan Servicer for interim advancement of funds.

“Summary of Loan Terms” means that certain Schedule 2 (Summary of Loan Terms) to the Loan Agreement.

“Tax Administration Fee” has the meaning set forth in the Summary of Loan Terms.

“Taxes” has the meaning set forth in the Security Instrument.

“Title Policy” means the mortgagee’s loan policy of title insurance issued in connection with the Mortgage Loan and insuring the lien of the Security Instrument as set forth therein, as approved by Lender.

“Total Parking Spaces” has the meaning set forth in the Summary of Loan Terms.

“Total Residential Units” has the meaning set forth in the Summary of Loan Terms.

“Transfer” means:

(a) a sale, assignment, transfer or other disposition (whether voluntary, involuntary, or by operation of law), other than Residential Leases, Material Commercial Leases or non-Material Commercial Leases permitted by this Loan Agreement;

(b) a granting, pledging, creating or attachment of a lien, encumbrance or security interest (whether voluntary, involuntary, or by operation of law);

(c) an issuance or other creation of a direct or indirect ownership interest;

(d) a withdrawal, retirement, removal or involuntary resignation of any owner or manager of a legal entity; or

(e) a merger, consolidation, dissolution or liquidation of a legal entity.

“Transfer Fee” means a fee equal to one percent (1%) of the unpaid principal balance of the Mortgage Loan payable to Lender.

“UCC” has the meaning set forth in the Security Instrument.

“UCC Collateral” has the meaning set forth in the Security Instrument.

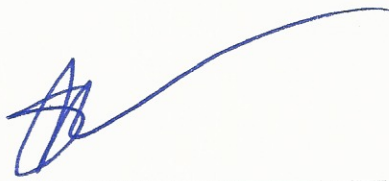
“Voidable Transfer” means any fraudulent conveyance, preference or other voidable or recoverable payment of money or transfer of property.

“Yield Maintenance Period End Date” or **“Prepayment Premium Period End Date”** has the meaning set forth in the Summary of Loan Terms.

“Yield Maintenance Period Term” or **“Prepayment Premium Period Term”** has the meaning set forth in the Summary of Loan Terms.

Borrower Initials

A handwritten signature in black ink, consisting of stylized initials and a long horizontal stroke extending to the right.



Borrower Initials

**SCHEDULE 2
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT**

**Summary of Loan Terms
(Interest Rate Type - Fixed Rate)**

I. GENERAL PARTY AND MULTIFAMILY PROJECT INFORMATION	
Borrower	Borgfeld Housing, LP
Lender	Bank of America, N.A.
Key Principal	Highridge Costa Housing Partners, LLC
Guarantor	Highridge Costa Housing Partners, LLC
Multifamily Project	El Sereno Apartments
ADDRESSES	
Borrower's General Business Address	330 W. Victoria Street Gardena, CA 90248
Borrower's Notice Address	Borgfeld Housing, LP c/o Highridge Costa Housing 330 W. Victoria Street Gardena, CA 90248
Multifamily Project Address	[] Cibolo, TX
Multifamily Project County	Guadalupe County
Key Principal's General Business Address	330 W. Victoria Street Gardena, CA 90248
Key Principal's Notice Address	Highridge Costa Housing Partners, LLC c/o Highridge Costa Housing 330 W. Victoria Street Gardena, CA 90248
Guarantor's General Business Address	Highridge Costa Housing Partners, LLC c/o Highridge Costa Housing 330 W. Victoria Street Gardena, CA 90248

See LPA - bps

I. GENERAL PARTY AND MULTIFAMILY PROJECT INFORMATION	
Guarantor's Notice Address	Highridge Costa Housing Partners, LLC c/o Highridge Costa Housing 330 W. Victoria Street Gardena, CA 90248
Lender's General Business Address	Bank of America, N.A. Loan Administration Mail Code # CA4-702-02-29 2001 Clayton Road, 2 nd Floor Concord, CA 94520 Attention: Loan Administration Manager
Lender's Notice Address	Bank of America, N.A. Loan Administration Mail Code # CA4-702-02-29 2001 Clayton Road, 2 nd Floor Concord, CA 94520 Attention: Loan Administration Manager
Lender's Payment Address	Bank of America, N.A. Loan Administration Mail Code # CA4-702-02-29 2001 Clayton Road, 2 nd Floor Concord, CA 94520 Attention: Loan Administration Manager

II. MULTIFAMILY PROJECT INFORMATION	
Property Square Footage	100,125
Total Parking Spaces	240
Total Residential Units	136
Affordable Housing Property	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

III. MORTGAGE LOAN INFORMATION	
Amortization Period	four hundred twenty (420) months 35 years

III. MORTGAGE LOAN INFORMATION	
Amortization Type	<input checked="" type="checkbox"/> Amortizing <input type="checkbox"/> Full Term Interest Only <input type="checkbox"/> Partial Interest Only
Effective Date	_____, 20__.
First Payment Date	The first day of _____, 20__. <i>[For example: If the Effective Date is June 1, 2015, then the First Payment Date will be July 1, 2015. If the Effective Date is any day in June, 2015 other than June 1, 2015, then the First Payment date will be August 1, 2015.]</i>
Fixed Rate	5.45% 5.60% in S&U
Interest Accrual Method	<input checked="" type="checkbox"/> Actual/360 (computed on the basis of a three hundred sixty (360) day year and the actual number of calendar days during the applicable month, calculated by multiplying the unpaid principal balance of the Mortgage Loan by the Interest Rate, dividing the product by three hundred sixty (360), and multiplying the quotient obtained by the actual number of days elapsed in the applicable month).
Interest Only Term	Zero (0) months
Interest Rate	The Fixed Rate
Interest Rate Type	Fixed Rate
Loan Amount	\$4,950,000 \$4,707,568 in S&U
Loan Term	one hundred ninety-two (192) months 16 yrs, here. 35 in S&U
Loan Year	The period beginning on the Effective Date and ending on the last day of _____, _____, and each successive twelve (12) month period thereafter. <i>[Insert the month and year which is twelve (12) full calendar months after the Effective Date. For example, if the Effective Date is July 1, 2015, then the month and year to insert is June, 2016, but if the Effective Date is any day from the 2nd through the 31st in July, 2015, then the month and year to insert is July, 2016.]</i>

III. MORTGAGE LOAN INFORMATION	
Maturity Date	The first day of _____, 20____, or any earlier date on which the unpaid principal balance of the Mortgage Loan becomes due and payable by acceleration or otherwise.
Monthly Debt Service Payment	<p>[Complete <u>only</u> the applicable option and delete the others.]</p> <p><i>For Amortizing (30/360 or Actual/360), and for Full Term Interest Only (30/360):</i></p> <p>\$_____</p>
Prepayment Lockout Period	Zero (0) year(s) from the Effective Date

IV. YIELD MAINTENANCE/PREPAYMENT PREMIUM INFORMATION	
Yield Maintenance Period End Date <u>or</u> Prepayment Premium Period End Date	<p>The last day of _____, 20____.</p> <p><i>[Insert the appropriate month and year, calculating from the Maturity Date, e.g., if the Mortgage Loan is a ten (10) year loan with a Maturity Date of July 1, 2015, and the yield maintenance period is nine and one-half (9.5) years, then the month and year to insert is December, 2014.]</i></p>
Yield Maintenance Period Term <u>or</u> Prepayment Premium Period Term	one hundred sixty-eight (168) months

V. RESERVE INFORMATION	
Initial Replacement Reserve Deposit	\$2,833.00
Maximum Inspection Fee	\$500.00
Maximum Replacement Reserve Disbursement Interval	two (2) time(s) per calendar year

V. RESERVE INFORMATION	
Minimum Replacement Reserve Disbursement Amount	N/A
Monthly Replacement Reserve Deposit	\$2,187.50 (which amount shall be increased by 3% each calendar year)
Tax Administration Fee	\$800.00, payable on the Effective Date
Replacement Reserve Account Interest Disbursement Frequency	Interest to be added to the Replacement Reserve Account balance
Replacement Threshold	\$25,000

Borrower Initials

Borrower Initials

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Borrower Initials

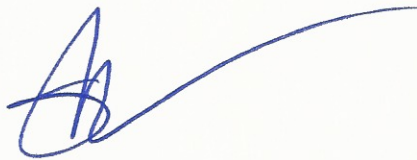
Modifications to Multifamily Loan and Security Agreement

**ADDENDA TO SCHEDULE 2 – SUMMARY OF LOAN TERMS
(Tax Credit Properties)**

VI. TAX CREDIT PROPERTIES	
Borrower General Partner/Manager	Administrative General Partner: Borgfeld Housing GP, LLC Managing General Partner: Highridge Costa Housing, LLC
Equity Investor	Bank of America, N.A.
Equity Investor Notice Address	Bank of America, N.A. Loan Administration, Mail Code # CA4-702-02-29 2001 Clayton Road, 2 nd Floor Concord, CA 94520 Attention: Loan Administration Manager
IRS Filing Deadline	Partnership Deadline
Minimum Set-Aside Test	40-60 Set-Aside Test
Tax Credit Amount	<u>15,000,000</u>

Borrower Initials


Borrower Initials

A handwritten signature in blue ink, consisting of a stylized 'A' followed by a long, sweeping horizontal line that curves upwards at the end.

Borrower Initials

SCHEDULE 3
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Schedule of Interest Rate Type Provisions
(Fixed Rate)


1. Defined Terms.

Capitalized terms not otherwise defined in this Schedule have the meanings given to such terms in the Definitions Schedule to the Loan Agreement.

2. Interest Accrual.

Except as otherwise provided in the Loan Agreement, interest shall accrue at the Interest Rate until fully paid.

Borrower Initials


Borrower Initials

Borrower Initials

A handwritten signature in black ink, consisting of stylized, overlapping letters, positioned above a horizontal line.

SCHEDULE 4
TO MULTIFAMILY LOAN AND SECURITY AGREEMENT

Prepayment Premium Schedule
(Standard Yield Maintenance – Fixed Rate)

1. Defined Terms.

All capitalized terms used but not defined in this Prepayment Premium Schedule shall have the meanings assigned to them in the Loan Agreement.

2. Prepayment Premium.

Any Prepayment Premium payable under Section 2.03 (Lockout/Prepayment) of the Loan Agreement shall be computed as follows:

(a) If the prepayment is made at any time after the Effective Date and before the Yield Maintenance Period End Date, the Prepayment Premium shall be the greater of:

(1) one percent (1%) of the amount of principal being prepaid; or

(2) the product obtained by multiplying:

(A) the amount of principal being prepaid,

by

(B) the difference obtained by subtracting from the Fixed Rate on the Mortgage Loan, the Yield Rate (as defined below) on the twenty-fifth (25th) Business Day preceding (i) the Intended Prepayment Date, or (ii) the date Lender accelerates the Mortgage Loan or otherwise accepts a prepayment pursuant to Section 2.03(d) (Application of Collateral) of the Loan Agreement,

by

(C) the present value factor calculated using the following formula:

$$\frac{1 - (1 + r)^{-n/12}}{r}$$

[r = Yield Rate

n = the number of months remaining between (i) either of the following: (x) in the case of a voluntary prepayment, the last day of the month in which the prepayment is made, or (y) in any other case, the date on which Lender accelerates the unpaid principal balance of the Mortgage Loan and (ii) the Yield Maintenance Period End Date.

For purposes of this clause (2), the “**Yield Rate**” means the yield calculated by interpolating the yields for the immediately shorter and longer term U.S. “**Treasury constant maturities**” (as reported in the Federal Reserve Statistical Release H.15 Selected Interest Rates (the “**Fed Release**”) under the heading “**U.S. government securities**”) closest to the remaining term of the Yield Maintenance Period Term, as follows (rounded to three (3) decimal places):

$$\left(\frac{(a - b)}{(x - y)} \times (z - y) \right) + b$$

a = the yield for the longer U.S. Treasury constant maturity

b = the yield for the shorter U.S. Treasury constant maturity

x = the term of the longer U.S. Treasury constant maturity

y = the term of the shorter U.S. Treasury constant maturity


z = “n” (as defined in the present value factor calculation above) divided by twelve (12).

Notwithstanding any provision to the contrary, if “z” equals a term reported under the U.S. “**Treasury constant maturities**” subheading in the Fed Release, the yield for such term shall be used, and interpolation shall not be necessary. If publication of the Fed Release is discontinued by the Federal Reserve Board, Lender shall determine the Yield Rate from another source selected by Lender. Any determination of the Yield Rate by Lender will be binding absent manifest error.]

(b) If the prepayment is made on or after the Yield Maintenance Period End Date but before the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs, the Prepayment Premium shall be one percent (1%) of the amount of principal being prepaid.

(c) Notwithstanding the provisions of Section 2.03 (Lockout/Prepayment) of the Loan Agreement, no Prepayment Premium shall be payable with respect to any prepayment made on or after the last calendar day of the fourth (4th) month prior to the month in which the Maturity Date occurs.

Borrower Initials


Borrower Initials




Borrower Initials

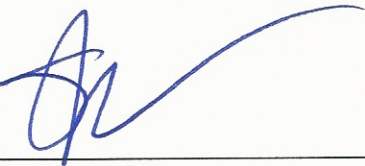
**SCHEDULE 5 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT**

Required Replacement Schedule

[INSERT PROPERTY CONDITION ASSESSMENT REPLACEMENT SCHEDULE]

[Borrower's Initials Follow.]


Borrower Initials


Borrower Initials

SCHEDULE 6 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT

RESERVED

**SCHEDULE 7 TO
MULTIFAMILY LOAN AND SECURITY AGREEMENT**

Exceptions to Representations and Warranties Schedule

[IF NONE, SO STATE]

Borrower Initials



Borrower Initials

Borrower Initials

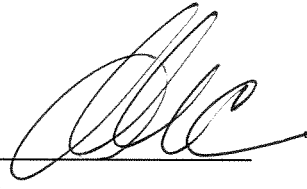
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EXHIBIT A
RESERVED

EXHIBIT B

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT (Tax Credit Properties)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. The Definitions Schedule is hereby amended by adding the following new definitions in the appropriate alphabetical order:

“Affiliate” means, as to any particular Person, any Person directly or indirectly, through one or more intermediaries, Controlling, Controlled by or under common Control with the Person or Persons in question.

“Borrower General Partner/Manager” means, individually and collectively, any general partner, managing member, manager (if non-member managed) or Controlling shareholder(s) of Borrower. Each Borrower General Partner/Manager as of the Effective Date is identified on the Summary of Loan Terms.

“Equity Investor” means a Person that holds a minimum interest of ninety-nine percent (99%) in Borrower as a limited partner (if Borrower is a limited partnership) or as an investor member (if Borrower is a limited liability company) and to whom are allocated (a) Tax Credits, tax losses, depreciation or other federal income tax benefits or (b) any state or local tax credits or other state or local tax benefits of any kind, in each case attributable to use of the Mortgaged Property as a “qualified low-income housing project” within the meaning of Section 42(g) of the Internal Revenue Code. Borrower’s Equity Investor as of the Effective Date is identified on the Summary of Loan Terms.

“Equity Investor General Partner/Manager” means, individually and collectively, any general partner(s), managing member(s) or Controlling shareholder(s) of the Equity Investor. Equity Investor General Partner/Manager as of the Effective Date is identified on the Summary of Loan Terms.

“Extended Use Agreement” has the meaning set forth in the Security Instrument.

“Initial Owners” means, with respect to any entity, the Person or Person(s) that, on the Effective Date, own, directly or indirectly, in the aggregate one hundred percent (100%) of the ownership interests in such entity.

“IRS Filing Deadline” means the date set forth on the Summary of Loan Terms.

“Minimum Set-Aside Test” means the set-aside test elected by Borrower pursuant to Section 42(g)(1)(A) or (B) of the Internal Revenue Code with respect to the percentage of units built or to be built upon the Mortgaged Property to be occupied by tenants with incomes equal to no more than the designated percentage of area median income. Borrower’s election of either the

40-60 Set-Aside Test (as provided in Section 42(g)(1)(B) of the Internal Revenue Code) or the 20-50 Set-Aside Test as the Minimum Set-Aside Test (as provided in Section 42(g)(1)(A) of the Internal Revenue Code) for the Mortgaged Property is indicated on the Summary of Loan Terms.

“**Permitted Affiliate**” means a single purpose entity that is (a) Equity Investor’s General Partner/Manager; (b) an Affiliate of Equity Investor General Partner/Manager; or (c) an Affiliate of Equity Investor, including a special limited partner in Borrower.

“**Rent Restriction Test**” means the rent restrictions imposed on the low-income units in the Mortgaged Property pursuant to Section 42(g)(2) of the Internal Revenue Code, whereby the gross rent charged to tenant(s) of the low-income units cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units based upon the Minimum Set-Aside Test elected by the Borrower.

“**Tax Credits**” means the tax credits allocated to Borrower pursuant to Section 42 of the Internal Revenue Code in connection with the Mortgaged Property’s operation as a “**qualified low-income housing project**” within the meaning of Section 42(g)(1) of the Internal Revenue Code. The Tax Credits projected as of the Effective Date is the amount identified on the Summary of Loan Terms.

“**Tax Credit Agency**” means the state housing credit agency having responsibility for monitoring compliance of the Mortgaged Property with the requirements of (a) Section 42 of the Internal Revenue Code and (b) the Extended Use Agreement.

3. Section 11.03 (Liens, Transfers, and Assumptions - Mortgage Loan Administration Matters Regarding Liens, Transfers and Assumptions) is hereby amended by adding the following provisions to the end thereof:

(h) Tax Credit Transfers.

(1) Approved Transfers.

Notwithstanding anything in this Loan Agreement to the contrary, provided that (a) the Person identified as “**Borrower**” on the Summary of Loan Terms owns the Mortgaged Property and remains Borrower under the Note and this Loan Agreement, (b) the Person identified as “**Borrower General Partner/Manager**” on the Schedule of Loan Terms is the sole general partner or is the managing general partner of Borrower (if Borrower is a limited partnership) or is the managing member or sole manager (if Borrower is a limited liability company), (c) the Person identified as “**Equity Investor**” on the Schedule of Loan Terms or its Permitted Affiliate continues to maintain its rights to receive the allocation of Tax Credits available to Borrower with respect to the Mortgaged Property, substantially as allocated as of the Effective Date, and (d) the provisions of Section 11.03(h)(2) (Tax Credit Transfers - Additional Conditions on Transfers) regarding additional conditions on Transfer(s) are satisfied, the Transfer of an interest by a Key Principal, Guarantor or Borrower as described in Section 11.02(b)(2) (Covenants – Transfers – Interests in Borrower, Key

Principal, or Guarantor) resulting from any of the following Transfers shall not constitute an Event of Default:

(A) the removal of Borrower General Partner/Manager as general partner, managing general partner, sole manager or managing member (as applicable) of Borrower and its replacement as general partner, managing general partner, sole manager or managing member (as applicable) by a Permitted Affiliate in accordance with the terms of the limited partnership agreement or operating agreement (as applicable) of Borrower;

(B) a Transfer of limited partner interests or investor member interests of Equity Investor to a Permitted Affiliate, provided that if such Transfer is of less than the Equity Investor's entire interest in Borrower, the Equity Investor General Partner/Manager must remain the sole general partner, managing general partner, managing member or sole manager (as applicable) of Equity Investor; or

(C) a Transfer of any of Key Principal's or Guarantor's interest in Borrower provided that, upon written notice from Lender to Borrower and Equity Investor, Equity Investor shall identify a Person satisfactory to Lender to serve as substitute Key Principal or Guarantor and such Person is substituted as Key Principal or Guarantor under this Loan Agreement within ten (10) days following the receipt by the Equity Investor of Lender's approval of such substitute Key Principal or Guarantor.

(2) Additional Conditions on Transfers.

The Transfers described in Section 11.03(h)(1) (Tax Credit Transfers – Approved Transfers) shall only be permitted if:

(A) Lender shall have received not less than ten (10) days' prior written notice of the Transfer, together with copies of (i) the documents transferring such entity's interest to the Permitted Affiliate; (ii) the organizational documents of the Permitted Affiliate; (iii) an organizational diagram showing the new ownership structure and relationships among the resulting owners and Borrower;

(B) at the time of the proposed Transfer, no Event of Default shall have occurred and be continuing (and no event that with the giving of notice or passage of time, or both, would constitute an Event of Default shall have occurred and be continuing);

(C) the proposed transferee is not a Prohibited Person; and

(D) the proposed transferee otherwise complies with the requirements of Section 4.02(b) (Economic Sanctions, Anti-Money Laundering, and Anti-Corruption).

If the conditions set forth in this Section 11.03(h)(2) (Tax Credit Transfers - Additional Conditions on Transfers) are satisfied, the Transfer Fee shall be waived for any Transfer made pursuant to Section 11.03(h)(1) (Tax Credit Transfers – Approved Transfers). Borrower shall pay the Review Fee and out-of-pocket costs set forth in Section 11.03(g) (Further Conditions to Transfers and Assumption).

(3) Other Removal of Borrower General Partner/Manager.

If Borrower General Partner/Manager is removed as a general partner, managing general partner, managing member or sole manager (as applicable) of Borrower, in accordance with the terms of the limited partnership agreement or operating agreement (as applicable) of Borrower, and is replaced by another Person that is not a Permitted Affiliate (to the extent that a Transfer of an interest by Key Principal, Guarantor or Borrower as described in this Article 11 (Liens, Transfers, and Assumptions) is accomplished thereby), the transferor and transferee shall be required to comply with all requirements of this Article 11 (Liens, Transfers, and Assumptions), including payment of the fees set forth in Section 11.03(g) (Further Conditions to Transfers and Assumption).

4. Section 14.01(a) (Events of Default – Automatic Events of Default) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

(13) any default, event of default, or breach (however such terms may be defined in the Extended Use Agreement) after the expiration of any deadline for performance and applicable notice or cure periods, if any, under the Extended Use Agreement.

5. Section 15.02 (Notice) of the Loan Agreement is hereby amended by adding the following provision to the end thereof:

(e) Lender agrees that effective notice to Borrower under this Loan Agreement and the other Loan Documents shall require delivery of a copy of any such notice to Equity Investor. Equity Investor’s notice address is included in the Summary of Loan Terms.

6. The following article is hereby added to the Loan Agreement as Article 17 (Items Related to Tax Credit Properties)]:

ARTICLE 17
ITEMS RELATED TO TAX CREDIT PROPERTIES

Section 17.01 Recourse Liability.

Notwithstanding any provision in this Loan Agreement to the contrary, the provisions of Section 3.02(b)(1) and Section 3.02(b)(2) (Personal Liability of Borrower (Exceptions to Non-Recourse Provision - Full Personal Liability for Mortgage Loan) of this Loan Agreement, as they relate to Events of Default

described in Section 14.01(a)(3) and Section 14.01(a)(6) (Events of Default – Automatic Events of Default) of this Loan Agreement, shall be operative only after the Equity Investor has been given notice of the applicable Event of Default described in Section 14.01(a)(3) and Section 14.01(a)(6) (Events of Default – Automatic Events of Default) of this Loan Agreement, together with an opportunity to remedy such Event of Default within thirty (30) days. Further, Lender agrees that, notwithstanding its rights to invoke the remedies permitted by the Loan Documents, upon the breach of any covenant or agreement by Borrower in the Loan Documents (including the covenants to pay the Indebtedness when due), so long as Equity Investor maintains its ownership interest in Borrower, a Foreclosure Event shall not occur until such time as Equity Investor has first been given thirty (30) days’ written notice of such default and has failed to cure such default within such thirty (30) day period; provided, however, that (a) during such thirty (30) day period Lender shall be entitled to accelerate the Note and to pursue its remedies (provided that a Foreclosure Event shall not occur), and (b) no notice or grace period shall apply in the case of any Event of Default where a failure by Lender to exercise a right or remedy under this Loan Agreement, in Lender’s judgment could result in harm to Lender, impairment of Lender’s rights and remedies under the Extended Use Agreement or this Loan Agreement or any other security given under any other Loan Document.

Section 17.02 Annual LIHTC Reporting Requirements.

Borrower must submit to Lender, each year on or before the IRS Filing Deadline at the time of annual submission of Borrower’s financial analysis of operations, a copy of Borrower’s federal income tax information return (Internal Revenue Service Form 1065, or any successor form designated by the Internal Revenue Service) and all attached schedules, forms and elections, including Internal Revenue Forms 8586 and 8609-A (and, with the Internal Revenue Service Form 1065 for the first year of the Mortgaged Property’s “**Credit Period**” (within the meaning of Section 42(f)(1) of the Internal Revenue Code), a copy of each fully completed and signed IRS Form 8609 for the Mortgaged Property), which must reflect the total Tax Credits allocated to the Mortgaged Property and the Tax Credits claimed for the Mortgaged Property in the preceding year.

Section 17.03 Annual Compliance.

Borrower shall submit to Lender on an annual basis, evidence that the Mortgaged Property is in ongoing compliance with all income, occupancy and rent restrictions under the Extended Use Agreement relating to the Mortgaged Property. Such submissions shall be made contemporaneously with Borrower’s reports required to be made to the Tax Credit Agency under the Extended Use Agreement. If the Tax Credit Agency issues an Internal Revenue Service Form 8823, Borrower shall provide to Lender a copy of each such form within five (5) Business Days of Borrower’s receipt of such form(s) from the Tax Credit Agency.

Section 17.04 Tax Credit Representations and Warranties.

All representations and warranties made by Borrower to Lender in this Section 17.04 (Tax Credit Representations and Warranties) are made as of the Effective Date, and are true and correct except as disclosed on the Exceptions to Representations and Warranties Schedule.

(a) There are no restrictions on the sale or refinancing of the Mortgaged Property, other than the restrictions set forth in this Loan Agreement and the Extended Use Agreement.

(b) Borrower and the Mortgaged Property satisfies all restrictions and requirements, including tenant income and rent restrictions and record-keeping and retention requirements, applicable to projects generating Tax Credits under Section 42 of the Internal Revenue Code.

(c) Borrower and the Mortgaged Property satisfies all covenants and restrictions set forth in the Extended Use Agreement.

(d) The only tenant eligibility requirements or rent restrictions applicable to the Mortgaged Property or Borrower are those that apply to residential units pursuant to the Minimum Set-Aside Test elected by Borrower for the low-income units in the Mortgaged Property or as set forth in the Extended Use Agreement.

(e) Neither the Extended Use Agreement nor any other document, instrument or agreement to which Borrower is a party restricts, limits or waives the right of Lender to cause a termination of the Extended Use Agreement in accordance with Internal Revenue Code Section 42(h)(6)(E)(i)(I).

Section 17.05 Tax Credit Covenants.

(a) Borrower and the Mortgaged Property shall continue to satisfy all restrictions and requirements, including tenant income and rent restrictions and record-keeping and retention requirements, applicable to projects generating Tax Credits under Section 42 of the Internal Revenue Code.

(b) Borrower and the Mortgaged Property shall continue to satisfy all covenants and restrictions set forth in the Extended Use Agreement.


(c) The only tenant eligibility requirements or rent restrictions applicable to the Mortgaged Property or Borrower shall be those that apply to residential units pursuant to the Minimum Set-Aside Test elected by Borrower for the low-income units in the Mortgaged Property or as set forth in the Extended Use Agreement.

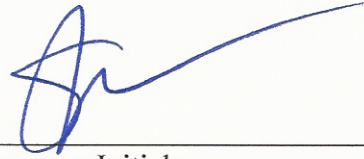
(d) Neither the Extended Use Agreement nor any other document, instrument or agreement to which Borrower is a party shall restrict, limit or waive

the right of Lender to cause a termination of the Extended Use Agreement in accordance with Internal Revenue Code Section 42(h)(6)(E)(i)(I).

(e) All requirements that are necessary to achieve and maintain (1) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, and any other requirements necessary to initially qualify, and to continue to qualify, for Tax Credits, including all applicable requirements set forth in the Extended Use Agreement, (2) issuance and completion of each required IRS Form 8609 for the Mortgaged Property in a timely fashion and in compliance with Section 42(l) of the Internal Revenue Code, and (3) issuance of all necessary permanent, unconditional certificates of occupancy, including all governmental approvals required to permit occupancy of all the units, shall be met at all times during which such requirements are required to be met to qualify for the full amount of the anticipated Tax Credits.

Borrower Initials


Borrower Initials



Borrower Initials

EXHIBIT C

MODIFICATIONS TO MULTIFAMILY LOAN AND SECURITY AGREEMENT (Insurance, Casualty and Condemnation Provisions)

The foregoing Loan Agreement is hereby modified as follows:

1. Capitalized terms used and not specifically defined herein have the meanings given to such terms in the Loan Agreement.

2. Borrower shall obtain and maintain, or caused to be maintained, insurance for Borrower and the Mortgaged Property providing at least the following coverages:

(a) All Risk or Special Causes of Loss Form Property Insurance. Property insurance must be maintained insuring against loss or damage by fire, lightning, wind and such other perils as are included in a standard “all-risk” or “special causes of loss” form, and against loss or damage by all other risks and hazards covered by a standard property insurance policy including, without limitation, riot and civil commotion, vandalism, malicious mischief, burglary and theft. Such insurance shall be in an amount equal to the then full replacement cost of the Improvements, equipment and personal property, without deduction for physical depreciation, no co-insurance is permitted and the maximum acceptable deductible is \$25,000. If the Mortgaged Property is “non-conforming” with respect to zoning requirements, Borrower will be required to maintain law and ordinance coverage for the “loss of value” of the undamaged portion of the building, “demolition” insurance (in an amount equal to 10% of the building value) and “increased cost of construction” insurance (in an amount equal to 25% of the building value). The burden to prove conforming use is the borrowers.

(b) Terrorism Insurance. For Mortgage Loans in excess of \$20 million and if the insurance required under clause 1 above excludes terrorism, please provide proof of terrorism insurance, unless at the time of determination: (i) it is not available at commercially reasonable rates; (ii) no affiliates of Borrower have purchased terrorism insurance with respect to another property, (iii) terrorism insurance is not commonly maintained by owners of other similar properties and (iv) it is not required for securitized loans similar to the Mortgage Loan and secured by property similar to the Mortgaged Property in the commercial mortgage-backed securities market.

(c) Flood Insurance. If any portion of the Improvements are located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards (i.e. Zone A and V) and in which flood insurance is made available under the National Flood Insurance Program, then flood insurance must be maintained at least equal to the lesser of (A) the full replacement cost, together with business interruption coverage and (B) the maximum limit of coverage available for the Mortgaged Property under the National Flood Insurance Act of 1968, The Flood Disaster Protection Act of 1973 and the National Flood Insurance Reform Act of 1994, as each may be amended. In addition to the statutory requirements listed above, Lender shall require the Borrower to maintain flood insurance coverage for commercial and residential real estate in a Special Flood Hazard Area (“SFHA”) in an amount equal to the lesser of:

- (i) The outstanding loan amount; or
- (ii) The total replacement cost value (RCV) of the improvements; plus

The total RCV of any inventory or other trade or business movable property taken as security for the loan if the personal property is stored on the real estate located in an SFHA for commercial and business loans secured by real estate.

(d) Earthquake Insurance. If a seismic study is required by Lender and such study reveals a 50 year/10% PML of not more than 20% of the replacement cost (as determined by Lender), earthquake insurance will not be required. If the PML study reveals that a 50 year/10% PML of greater than 20% of the replacement cost, then earthquake insurance must be maintained in an amount equal to the replacement cost with a maximum deductible of 10% of replacement cost.

(e) Boiler and Machinery Insurance. If the Mortgaged Property contains centralized HVAC equipment or if there are boilers or other pressured fired vessels, then Broad Form Boiler and Machinery Insurance (without exclusion for explosion and including “system breakdown coverage”) must be maintained on the Mortgaged Property and Improvements in an amount at least equal to or greater than the repair and full replacement cost of such equipment and insurance against loss of occupancy or use arising from any breakdown of such equipment in such amounts as are generally required by institutional lenders for properties comparable to the Mortgaged Property.

(f) Business Interruption/Loss of Rental Income Insurance. Business Interruption and/or loss of rental income insurance must be maintained in an amount sufficient to provide proceeds that will cover the “actual loss” sustained during the Restoration. No co-insurance is permitted. The “actual loss” coverage amount may be capped based on projected gross revenues (less non-recurring expenses) for a twelve (12) month period. The policy must (unless waived by Lender) provide an “Extended Period of Indemnity” endorsement for at least an additional six (6) months. The perils covered by this insurance shall be the same as those required to be covered on the real property including flood, terrorism and earthquake, as necessary.

(g) Builders Risk Insurance. Borrower is required to maintain, at all times during which structural construction repairs or alterations are being made with respect to the Improvements (A) owner’s contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the above mentioned commercial general liability insurance policy; and (B) the insurance provided for in Paragraph (a) hereof written in a so-called builder’s risk completed value form (1) on a non-reporting basis, (2) against all risks insured against pursuant to said Paragraph (a) hereof, (3) including permission to occupy the Mortgaged Property, and (4) with an agreed amount endorsement waiving co-insurance provisions.

(h) Commercial General Liability Insurance. Borrower must maintain Commercial General Liability Insurance on an “occurrence” form including broad form property damage, contractual damages and personal injuries (including death resulting therefrom) and a

liquor liability endorsement if Borrower sells liquor on the Mortgaged Property. In addition, excess and/or umbrella liability insurance must be maintained against all claims typically covered by an umbrella liability policy including all legal liability imposed upon Borrower and all court costs and attorneys' fees connected with the ownership, operation, and maintenance of the Mortgaged Property and equipment. The general aggregate limits and umbrella liability insurance must be maintained in the minimum amounts as outlined below:

- (i) \$1,000,000 total coverage for 1 to 3 story buildings
- (ii) \$5,000,000 total coverage for 4 to 10 story buildings
- (iii) \$10,000,000 total coverage for 11 to 20 story buildings
- (iv) \$25,000,000 total coverage for buildings with greater than 20 stories

If Borrower has a multi-location policy or loan, the aggregates referred to above must be maintained on a per location basis.

(i) Wind Insurance. If the All Risk or Special Cause of Loss coverage excludes wind, the Borrower must present evidence of separate wind coverage. Maximum acceptable deductible for this peril is 5% of total insured value.

(j) Sinkhole and Mine Subsidence Insurance. Sinkhole and mine subsidence insurance must be maintained if, the Mortgaged Property is located in the State of Florida, and for all other states if in the opinion of a professional engineer, whose resume shows evidence of his/her experience in this professional area, that there is a foreseeable risk of loss due to this hazard. If necessary, as determined by the engineer, Borrower shall maintain coverage in the amount of the full replacement cost of the structure.

(k) Statutory Workers Compensation Insurance. If Borrower has employees on site, statutory workers compensation insurance as required by law and including employer's liability must be maintained in an amount that is at least customary for employers insuring similar risks.

(l) Hired and Non-Owned Auto Insurance. If Borrower has employees on site, Hired and Non-Owned Auto Insurance must be maintained in an amount equal to \$1 Million combined single limit.

(m) Employee Dishonesty. If Borrower has employees on site, in an amount not less than six (6) months (unless waived by Lender) of gross revenue from the property and with a deductible not greater than Twenty-Five Thousand and no/100 Dollars (\$25,000). This coverage is required only on cooperative corporations.

(n) Other Insurance Coverage. Such other insurance with respect to the Mortgaged Property or on any replacements or substitutions or additions or increased coverage limits as may from time to time be required by the holder of the Mortgage Loan against other insurable hazards or casualties which at the time are commonly insured against in the case of

property similarly situated, including, without limitation, sinkhole, mold, mine subsidence, earthquake and environmental insurance, due regard being given the height and typed of buildings, their construction, location, use and occupancy.

3. All insurance provided for in subsection (2) above shall:

(a) be for a term of not less than one (1) year and obtained under valid and enforceable policies (the “Policies” or “Policy”) and the insurer under each Policy shall be a domestic primary insurance company duly qualified as such under the laws of the states in which the Mortgaged Property is located and duly authorized, admitted and licensed in such states to transact the applicable insurance business and to write the insurance provided and must have and maintain a rating of “AA” or higher by Standard & Poor’s or A.M. Best rating of “A-IX” or higher for any Mortgage Loan \$20,000,000 or above. For any Mortgage Loan below \$20,000,000, the insurance carrier must have and maintain a rating of “A” or higher by Standard & Poor’s and/or an A.M. Best rating of A:VI or higher;

(b) Each Policy must have a cancellation provision that provides that the carrier will notify Lender, its successors and/or assigns, in writing at least thirty (30) days in advance of any Policy reduction or cancellation for any reason except for non-payment of premium (for which not less than ten (10) days written notice shall be provided);

(c) All of the liability Policies must be written and provide for claims to be paid on an “Occurrence” basis;

(d) Each certificate of insurance for a Policy must correctly identify the Mortgaged Property by address and the insured by borrowing entity name, and confer on the Lender the rights and privileges of mortgagee;

(e) Policy premiums cannot be financed or paid in installments to an insurance carrier, but must be paid in full; if Policy premiums are not escrowed with Lender, Borrower shall promptly provide Lender evidence of payment of same;

(f) The Policies may be part of a blanket policy provided the insured acknowledges that failure to pay any portion of the premium which is not allocable to the Mortgaged Property or any other action not relating to the Mortgaged Property which would otherwise permit the issuer to cancel the coverage, would require the Mortgaged Property to be insured by a separate, single-property policy. The blanket Policy must properly identify and fully protect the Mortgaged Property as if a separate policy were issued for 100% of Replacement Cost (insurable value) at the time of loss, allocate a portion of the premium to the Mortgaged Property, and otherwise meet all applicable insurance requirements of Lender;

(g) All policies must include EXACTLY the following standard, non-contributory, mortgagee clause:

Bank of America, N.A., ATIMA, its successors and assignees,
Bank of America, N.A., Loan Administration, Mail Code # CA4-
702-02-29, 2001 Clayton Road, 2nd Floor, Concord, CA 94520,
Attention: Loan Administration Manager

Lender must be named as a first mortgagee with respect to buildings, lender's loss payee with respect to loss of rents/business interruption and business personal property, and additional insured with respect to general liability; and

(h) During the Loan Term, should any condition or change occur which affects the levels of risk anticipated, Borrower will be required to obtain appropriate coverage to mitigate the associated risk.

4. Section 9.03(b) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(b) Application of Proceeds on Event of Loss

(i) Adjustment and Compromise of Claims and Awards. Borrower may settle any insurance claim or Condemnation Action if the effect of the casualty or the Condemnation Action may be remedied for Fifty Thousand Dollars (\$50,000) or less. If a greater sum is required, the Borrower may not settle any such claim or Condemnation Action without the advance written consent of the Lender. If an Event of Default exists, Borrower may not settle any insurance claim or Condemnation Action without the advance written consent of the Lender.

(ii) Direct Payment of Lender of Proceeds or Awards. If the insurance proceeds received in connection with a casualty or proceeds received in respect of a Condemnation Action exceed Fifty Thousand Dollars (\$50,000), or if there is an Event of Default, then such proceeds shall be paid directly to Lender. Lender shall have the right to endorse instruments which evidence proceeds that it is entitled to receive directly.

(iii) Lender's Use of Proceeds. Unless the Borrower has the right to use the insurance proceeds or the proceeds from a Condemnation Action under this Section 9.03(b), the Lender may, in its sole and absolute discretion, either apply them to the Indebtedness or disburse them for the purposes of repair and reconstruction, or to remedy the effects of the Condemnation Action. No prepayment premium will be charged on insurance proceeds or Condemnation Action proceeds applied to reduce the Indebtedness.

(iv) Availability to Borrower of Proceeds. Insurance proceeds and Condemnation Action proceeds shall be paid to the Lender for use in accordance with Section 9.03(b), unless the amount received is less than Two Hundred Fifty Thousand Dollars (\$250,000), in which case the Borrower shall have the right to use the insurance proceeds and Condemnation Action proceeds to carry out the Restoration of the Mortgaged Property, subject to the conditions set forth in clauses (v) - (ix) below. If the amount received in respect of a casualty or condemnation equals or exceeds Two Hundred Fifty Thousand Dollars (\$250,000), and if the loan-to-value ratio of the Mortgaged Property on completion will be forty percent (40%) or less, as determined by the Lender in its discretion based on its estimate of the market value of the Mortgaged Property,

the Lender shall receive such insurance proceeds or Condemnation Action proceeds directly and hold them in a fund for Restoration subject to the conditions set forth in clauses (v) - (ix) below. If the Lender's estimate of the market value of the Mortgaged Property implies a loan-to-value ratio of over forty percent (40%), and the Borrower disagrees with the Lender's estimate, the Borrower may require that the Lender engage an independent appraiser (the "Fee Appraiser") to prepare and submit to Lender a full narrative appraisal report estimating the market value of the Mortgaged Property. The Fee Appraiser shall be certified in the jurisdiction where the Mortgaged Property is located and shall be a member of a national appraisal organization that has adopted the Uniform Standards of Professional Appraisal Practice (USPAP) established by the Appraisal Standards Board of the Appraisal Foundation. The Fee Appraiser will be required to use assumptions and limiting conditions established by the Lender prior to the funding of the Mortgage Loan and to prepare the appraisal in conformity with the Lender's appraisal guidelines. For purposes of this Section, the independent appraiser's value conclusion shall be binding on both the Lender and the Borrower. The Borrower shall have the right to make a prepayment of the Mortgage Loan, without premium, sufficient to achieve this loan-to-value ratio. The independent fee appraisal shall be at the Borrower's expense, and the Borrower shall pay to the Lender an administrative fee of Two Thousand Five Hundred Dollars (\$2,500) in connection with its review. The Lender may require that the Borrower deposit Ten Thousand Dollars (\$10,000) with the Lender as security for these expenses or may pay the Fee Appraiser's and administrative fees from the proceeds at its sole discretion.

(v) Conditions to Availability of Proceeds. Lender shall have no obligation to release insurance proceeds or Condemnation Action proceeds to Borrower, and may hold such amounts as additional security for the Mortgage Loan, if (a) an Event of Default exists, (b) Lender has delivered to Borrower notice of any act, omission or circumstance that will, if uncured, become an Event of Default, and the required cure has not been effected, or (c) if the insurance proceeds or Condemnation Action proceeds received by Lender and any other funds deposited by Borrower with Lender are insufficient, as determined by the Lender in its reasonable discretion, to complete the Restoration. If an Event of Default exists, Lender may at its sole and absolute discretion apply such insurance proceeds and Condemnation Action proceeds to the full or partial cure of the Event of Default.

(vi) Gross Up of Restoration Fund. If Lender determines that the insurance proceeds or Condemnation Action proceeds received in respect of a casualty or a Condemnation Action, as the case may be, would be insufficient to permit the Borrower to effect the Restoration, then the Borrower shall deposit in the Restoration fund such additional funds as the Lender determines are necessary to effect the Restoration.

(vii) Draw Requirements. Borrower's right to receive insurance proceeds and Condemnation Action proceeds held by Lender under this Section

9.03(b) shall be conditioned on the Lender's approval of plans and specifications for the Restoration. Each draw, except the last, shall be in the minimum amount of Fifty Thousand Dollars (\$50,000). Draw requests shall be accompanied by customary evidence of construction completion, and by endorsements to the Lender's mortgagee title insurance coverage insuring the absence of construction, mechanics' or materialmen's liens. Draws based on partial completion of the Restoration shall be subject to a ten percent (10%) holdback. All transactional expenses shall be paid by the Borrower.

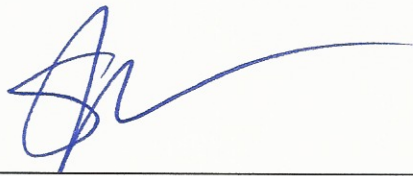
(viii) REMIC Compliance. Notwithstanding the foregoing or anything herein to the contrary, if the Mortgage Loan is included in a REMIC Trust and, after giving effect to any release of any portion of the real property relating to the Mortgaged Property following a casualty or Condemnation Action, the Mortgage Loan would fail to satisfy any REMIC Requirements as the result of such release, then Borrower shall, within five (5) days of demand by Lender (but in any event prior to, and as a precondition to, any release of any portion of the Mortgaged Property), prepay the principal balance of the Mortgage Loan by an amount sufficient to satisfy REMIC Requirements.

(x) If a casualty causes damage to the Mortgaged Property and Lender elects to apply the insurance proceeds to the Indebtedness in accordance with the terms of this Loan Agreement, Borrower shall remain obligated to restore or repair the Mortgaged Property. Nothing in this Section 9.03(b)(x) shall affect any of Lender's remedial rights against Borrower in connection with a breach by Borrower of any of its obligations under this Loan Agreement or under any Loan Document, including any failure to timely pay Monthly Debt Service Payments or maintain the insurance coverage(s) required by this Loan Agreement.


5. Section 10.03(a) of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

(a) **Application of Condemnation Awards**. Lender may apply any awards or proceeds of a Condemnation Action in accordance with the terms and conditions of Section 9.03(b) hereof.

Borrower Initials



Borrower Initials


Borrower Initials

MULTIFAMILY NOTE

US \$4,950,000 _____, _____

FOR VALUE RECEIVED, the undersigned (“**Borrower**”) promises to pay to the order of BANK OF AMERICA, N.A., a national banking association (together with its successors and/or assigns, “**Lender**”), the principal amount of Four Million Nine Hundred Fifty Thousand Dollars (US \$4,950,000) (the “**Mortgage Loan**”), together with interest thereon accruing at the Interest Rate on the unpaid principal balance from the date the Mortgage Loan proceeds are disbursed until fully paid in accordance with the terms hereof and of that certain Multifamily Loan and Security Agreement dated as of the date hereof, by and between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”).

1. **Defined Terms.**

Capitalized terms used and not specifically defined in this Multifamily Note (this “**Note**”) have the meanings given to such terms in the Loan Agreement.

2. **Repayment.**

Borrower agrees to pay the principal amount of the Mortgage Loan and interest on the principal amount of the Mortgage Loan from time to time outstanding at the Interest Rate or such other rate or rates and at the times specified in the Loan Agreement, together with all other amounts due to Lender under the Loan Documents. The outstanding balance of the Mortgage Loan and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date, together with all other amounts due to Lender under the Loan Documents.

3. **Security.**

The Mortgage Loan evidenced by this Note, together with all other Indebtedness is secured by, among other things, the Security Instrument, the Loan Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Security Instrument and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

4. **Acceleration.**

In accordance with the Loan Agreement, if an Event of Default has occurred and is continuing, the entire unpaid principal balance of the Mortgage Loan, any accrued and unpaid interest, including interest accruing at the Default Rate, the Prepayment Premium (if applicable), and all other amounts payable under this Note, the Loan Agreement and any other Loan Document shall at once become due and payable, at the option of Lender, without any prior notice to Borrower, unless applicable law requires otherwise (and in such case, after satisfactory notice has been given).

5. Personal Liability.

The provisions of Article 3 (Personal Liability) of the Loan Agreement are hereby incorporated by reference into this Note to the same extent and with the same force as if fully set forth herein.

6. Governing Law.

This Note shall be governed in accordance with the terms and provisions of Section 15.01 (Governing Law; Consent to Jurisdiction and Venue) of the Loan Agreement.

7. Waivers.

Except for notices required to be given by Lender to Borrower as expressly set forth in any of the Loan Documents, presentment, demand for payment, notice of nonpayment and dishonor, protest and notice of protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace and diligence in collecting the Indebtedness are waived by Borrower, for and on behalf of itself, Guarantor and Key Principal, and all endorsers and guarantors of this Note and all other third party obligors or others who may become liable for the payment of all or any part of the Indebtedness.

8. Commercial Purpose.

Borrower represents that the Indebtedness is being incurred by Borrower solely for the purpose of carrying on a business or commercial enterprise or activity, and not for agricultural, personal, family or household purposes.

9. Construction; Joint and Several Liability.

(a) Section 15.08 (Construction) of the Loan Agreement is hereby incorporated herein as if fully set forth in the body of this Note.

(b) If more than one Person executes this Note as Borrower, the obligations of such Person shall be joint and several.

10. Notices.

All Notices required or permitted to be given by Lender to Borrower pursuant to this Note shall be given in accordance with Section 15.02 (Notice) of the Loan Agreement.

11. Time is of the Essence.

Borrower agrees that, with respect to each and every obligation and covenant contained in this Note, time is of the essence.

12. Loan Charges Savings Clause.

Borrower agrees to pay an effective rate of interest equal to the sum of the Interest Rate

and any additional rate of interest resulting from any other charges of interest or in the nature of interest paid or to be paid in connection with the Mortgage Loan and any other fees or amounts to be paid by Borrower pursuant to any of the other Loan Documents. Neither this Note, the Loan Agreement nor any of the other Loan Documents shall be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate greater than the maximum interest rate permitted to be charged under applicable law. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with all applicable laws governing the maximum rate or amount of interest payable on the Indebtedness evidenced by this Note and the other Loan Documents. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any interest or other charge or amount provided for in any Loan Document, whether considered separately or together with other charges or amounts provided for in any other Loan Document, or otherwise charged, taken, reserved or received in connection with the Mortgage Loan, or on acceleration of the maturity of the Mortgage Loan or as a result of any prepayment by Borrower or otherwise, violates that law, and Borrower is entitled to the benefit of that law, that interest or charge is hereby reduced to the extent necessary to eliminate any such violation. Amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the unpaid principal balance of the Mortgage Loan without the payment of any prepayment premium (or, if the Mortgage Loan has been or would thereby be paid in full, shall be refunded to Borrower), and the provisions of the Loan Agreement and any other Loan Documents immediately shall be deemed reformed and the amounts thereafter collectible under the Loan Agreement and any other Loan Documents reduced, without the necessity of the execution of any new documents, so as to comply with any applicable law, but so as to permit the recovery of the fullest amount otherwise payable under the Loan Documents. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness that constitutes interest, as well as all other charges made in connection with the Indebtedness that constitute interest, and any amount paid or agreed to be paid to Lender for the use, forbearance or detention of the Indebtedness, shall be deemed to be allocated and spread ratably over the stated term of the Mortgage Loan. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Mortgage Loan.

13. WAIVER OF TRIAL BY JURY.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER (A) AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS NOTE OR THE RELATIONSHIP BETWEEN THE PARTIES AS LENDER AND BORROWER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN

BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

14. Receipt of Loan Documents.

Borrower acknowledges receipt of a copy of each of the Loan Documents.

15. Incorporation of Schedules.

The schedules, if any, attached to this Note are incorporated fully into this Note by this reference and each constitutes a substantive part of this Note.

16. Defined Terms.

(a) As used hereunder, the term “**Maximum Lawful Rate**” shall mean the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Lender in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that such law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law), taking into account all Charges (as defined below) made in connection with the transaction evidenced by this Note and the other Loan Documents.

(b) As used hereunder, the term “**Charges**” shall mean all fees, charges and/or any other things of value, if any, contracted for, charged, taken, received or reserved by Lender in connection with the transactions relating to this Note and the other Loan Documents, which are treated as interest under applicable law.

17. Procedural Obligations of Borrower.

(a) In addition to the provisions of Section 12 above, Borrower hereby agrees that as a condition precedent to any claim seeking usury penalties against Lender, Borrower will provide written notice to Lender, advising Lender in reasonable detail of the nature and amount of the violation, and Lender shall have sixty (60) days after receipt of such notice in which to correct such usury violation, if any, by either refunding such excess interest to Borrower or crediting such excess interest against this Note and/or the Indebtedness then owing by Borrower to Lender. All calculations of the rate of interest contracted for, charged, taken, reserved or received by Lender for the use, forbearance or detention of any debt evidenced by this Note and/or any other Loan Documents, that are made for the purpose of determining whether such rate exceeds the Maximum Lawful Rate, shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating and spreading, using the actuarial method, all interest contracted for, charged, taken, reserved or received by Lender throughout the full term of this Note and/or any other Loan Documents (including any and all renewal and extension periods).

(b) In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this Note and/or any Indebtedness.

(c) Not later than the sixty-first (61st) day before the date Borrower files suit seeking penalties for Lender’s violation of the usury law (or not later than the time of Borrower filing a counterclaim in an original action by Lender), Borrower is required to

give Lender written notice stating in reasonable detail the nature and amount of the violation. Lender is then entitled to correct such violation within the sixty (60) day period beginning with the date such notice is received. If the usury violation is raised on a counterclaim, Lender can petition the court to abate the proceedings for sixty (60) days to allow Lender to cure the violation. If Lender timely corrects such violation, Lender will not be liable to Borrower for such violation, except to reimburse Borrower for reasonable attorneys' fees in the event the issue is raised by Borrower in a counterclaim. Lender is also not liable to Borrower for a violation of the usury penalty statute if Lender gives written notice to Borrower of Lender's usury violation before Borrower itself gives written notice of the violation or files an action alleging the violation, and provided Lender corrects such violation not later than the sixtieth (60th) day after the date Lender actually discovered the violation that applies to the Note and/or any of the Indebtedness. Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, it is not the intention of Lender to accelerate the maturity of any interest that has not accrued at the time of such acceleration or to collect unearned interest at the time of such acceleration.

18. Ceiling Election.

To the extent that Lender is relying on Chapter 303 of the Texas Finance Code to determine the Maximum Lawful Rate payable on the Note and/or any other portion of the Indebtedness, Lender will utilize the weekly ceiling from time to time in effect as provided in such Chapter 303, as amended. To the extent United States federal law permits Lender to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law, Lender will rely on United States federal law instead of such Chapter 303 for the purpose of determining the Maximum Lawful Rate. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, utilize any other method of establishing the Maximum Lawful Rate under such Chapter 303 or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect.


[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower has signed and delivered this Note under seal (where applicable) or has caused this Note to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this Note shall be deemed to be signed and delivered as a sealed instrument.

BORROWER:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By:  (SEAL)
Name: Michael A. Costa
Title: CEO

By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By: _____ (SEAL)
Name: _____
Title: _____

IN WITNESS WHEREOF, Borrower has signed and delivered this Note under seal (where applicable) or has caused this Note to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, Borrower intends that this Note shall be deemed to be signed and delivered as a sealed instrument.

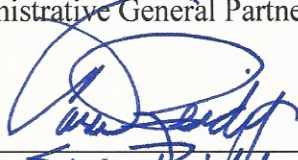
BORROWER:

BORGFELD HOUSING, LP,
a Texas limited partnership

By: Highridge Costa Housing, LLC,
a Delaware limited liability company,
its Managing General Partner

By: _____ (SEAL)
Name: _____
Title: _____

By: Borgfeld Housing GP, LLC,
a Texas limited liability company,
its Administrative General Partner

By:  _____ (SEAL)
Name: Sara Reidy
Title: President

INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see attached narrative

Describe the replacement reserves:

Please see attached narrative

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:

Please see attached narrative

By signing below Bank of America N.A (BANA) acknowledges that the amount and terms of the anticipated sources and uses of funds is an estimation prepared by the Borrower based on the proposed new TDHCA Multifamily Direct Loan (Soft Repayable) all of which sources and uses will be underwritten by BANA in connection with its determination of approving the proposed new TDHCA financing.

Barbara Colter
Signature, Authorized Representative, Construction or Permanent Lender

Barbara Colter
Printed Name
Senior Vice President
Bank of America

1/25/2019
Date

Telephone: 805.917.0653
Email address: barbara.colter@baml.com

If a revised form is submitted, date of submission: _____

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

The project closed all construction financing in April of 2017. Bank of America is the construction lender and over the course of construction will provide a projected total of \$15,107,869 in construction financing at a variable rate of 2% plus 1-month LIBOR, currently 4.35%. Upon completion, a portion of this loan, currently estimated to be \$4,707,568, will remain in place as a permanent loan at a rate of 5.60%. Bank of America is also acting as tax credit investor and will contribute a total of approximately \$2,986,831 in tax credit equity over the course of construction. Upon conversion to the permanent loan and submission of form 8609, Bank of America will fund the remainder of its projected \$14,229,407 equity commitment. The investor equity has been reduced from the \$14,773,524 reflected in the partnership agreement by a Downward Timing Adjuster projected to be \$544,117.

During construction \$2.03 MM of the \$2.32 MM developer fee will be deferred. Upon conversion to permanent \$666,826 of the deferred developer fee will remain in place and be payable out of cash flow.

The City of Cibolo EDC has made a contribution of \$250 to the project. These funds are a grant and as such will remain with the project in perpetuity and have been removed from eligible basis.

As a result of a number of hardships and delays due to Hurricane Harvey, the project has experienced significant cost overruns. To address these concerns, the general partners have advanced \$667,137 to the project. It is currently projected that the project will require a general partner loan of \$1.18 MM (including the aforementioned \$667,137) upon conversion to the permanent loan.

In the event that this application is successful, TDHCA will fund a Multifamily Direct Loan of \$1.14 MM to the project. These funds will remain in place after conversion to the permanent loan and will be payable out of cash flow. Per TDHCA applicant match requirements, the general partners will make an additional loan to the project of \$61,960, an amount in excess of 5% of the anticipated Multifamily Direct Loan.

Describe the replacement reserves:

Per TDHCA requirements, replacement reserves of \$34,000, or \$250 per unit, have been underwritten in the project's operating expenses. Because the project will be completely new upon completion of construction, the development team has deemed this to be sufficient.

Describe the operating items (rents, operating subsidies, project-based assistance, etc., and specify the status (dates and deadlines) of approvals and closings, etc., associated with the commitments:

Project rents will be as laid out in the rent schedule in exhibit 24. All units will be placed in service at maximum allowable rents less the utility allowance approved by TDHCA. The project will receive no operating subsidies of any kind and no such subsidy has been included in underwriting.

Sponsor Characteristics (Competitive HTC Only)

Self Score Total:

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:

No If attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside

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

No 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: **CANNOT BE LESS THAN 5%**

Cash flow from operations: **CANNOT BE LESS THAN 5%**

Developer Fee: **CANNOT BE LESS THAN 5%**

Total:

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.

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


No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.

Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

Points Claimed:

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. 

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:

Total Points Claimed:

Owner and Developer Organization Charts

Applicants should note that subsequent changes to the Development Ownership structure presented in this section will require the written consent of the Department.

Pursuant to §10.204(13)(A) of the Uniform Multifamily Rules, submit three separate charts. One showing the complete organizational structure of each of the following entities: Development Owner, Developer, and Guarantor.

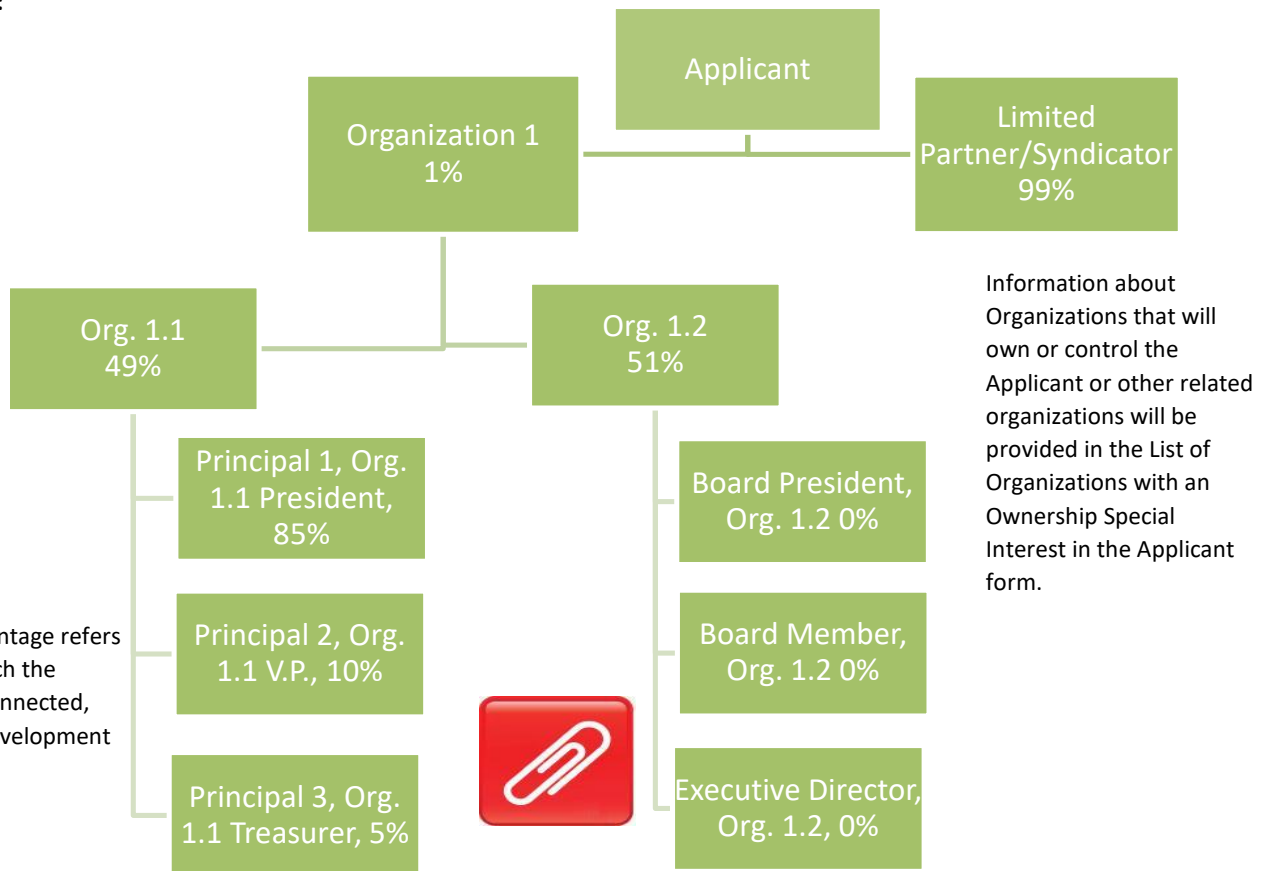
The organization charts must include:

- The names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer, and/or Guarantor.
- Nonprofit entities, public housing authorities, publicly traded corporations, individual board members and executive directors must be included in Organization charts.
- Any and all trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.

In the case of:

- (A) Partnerships - Principals include all general Partners and Special LPs (any LP that is not the Syndicator is a "Special LP");
- (B) Corporations - Principals include the executive director and all members of the board (shown with "0%" ownership as applicable). For to-be formed instrumentalities of PHAs, where the executive director and board remain to be determined, include the PHA, itself, and its members;
- (C) Limited liability companies - Principals include all the managing members and all other members.

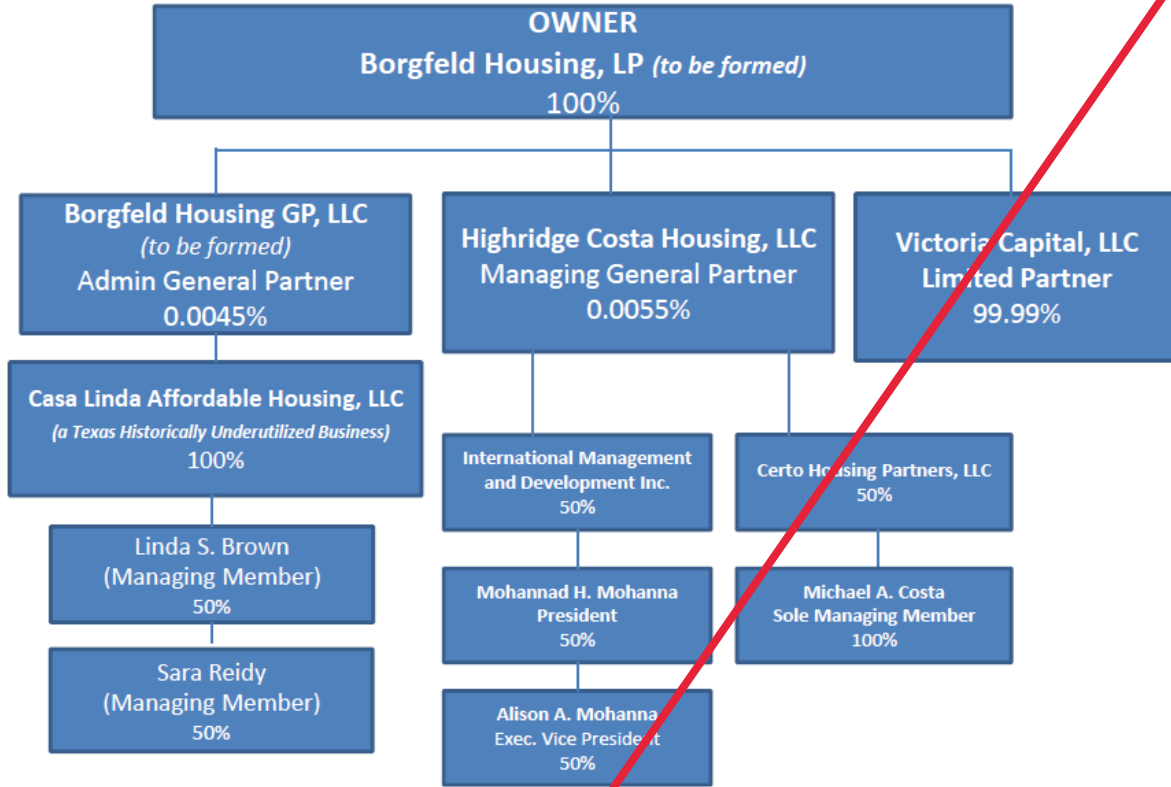
Org. Chart Example:



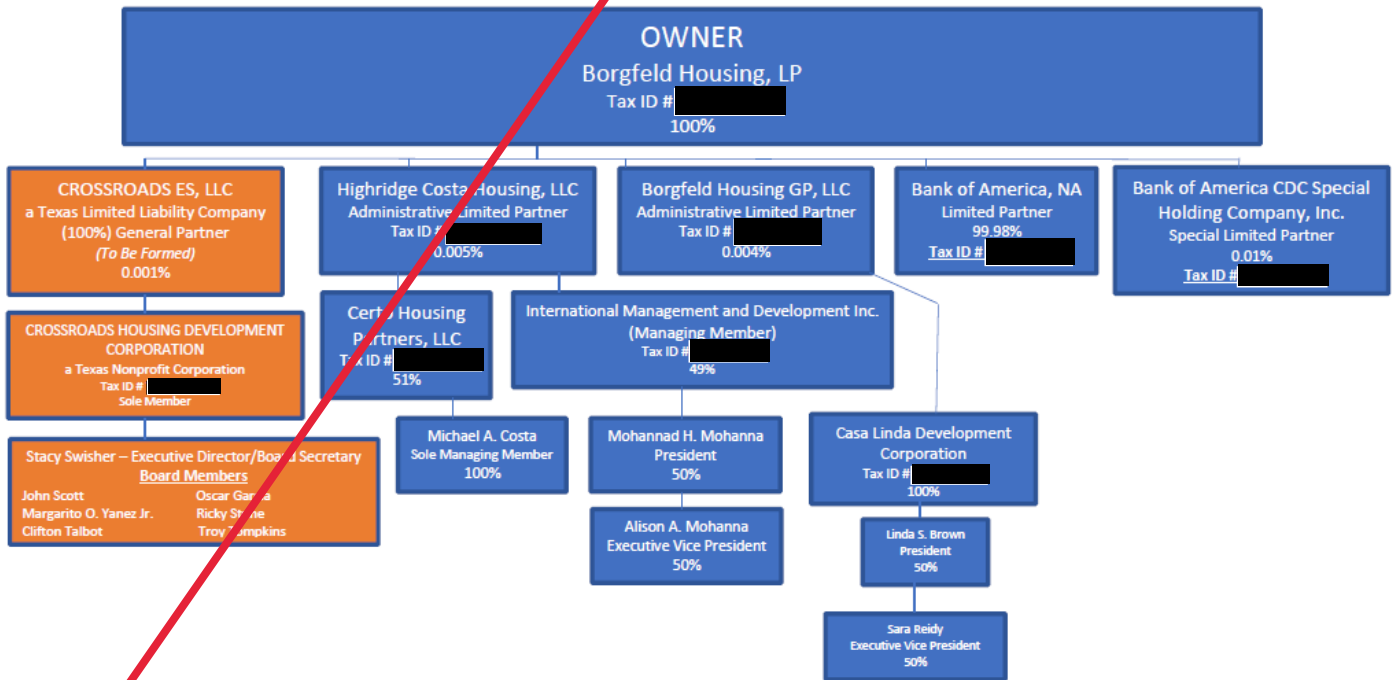
Note that the percentage refers to the entity to which the Person is directly connected, not to the whole Development Owner.

If a revised chart is submitted, include date of submission!

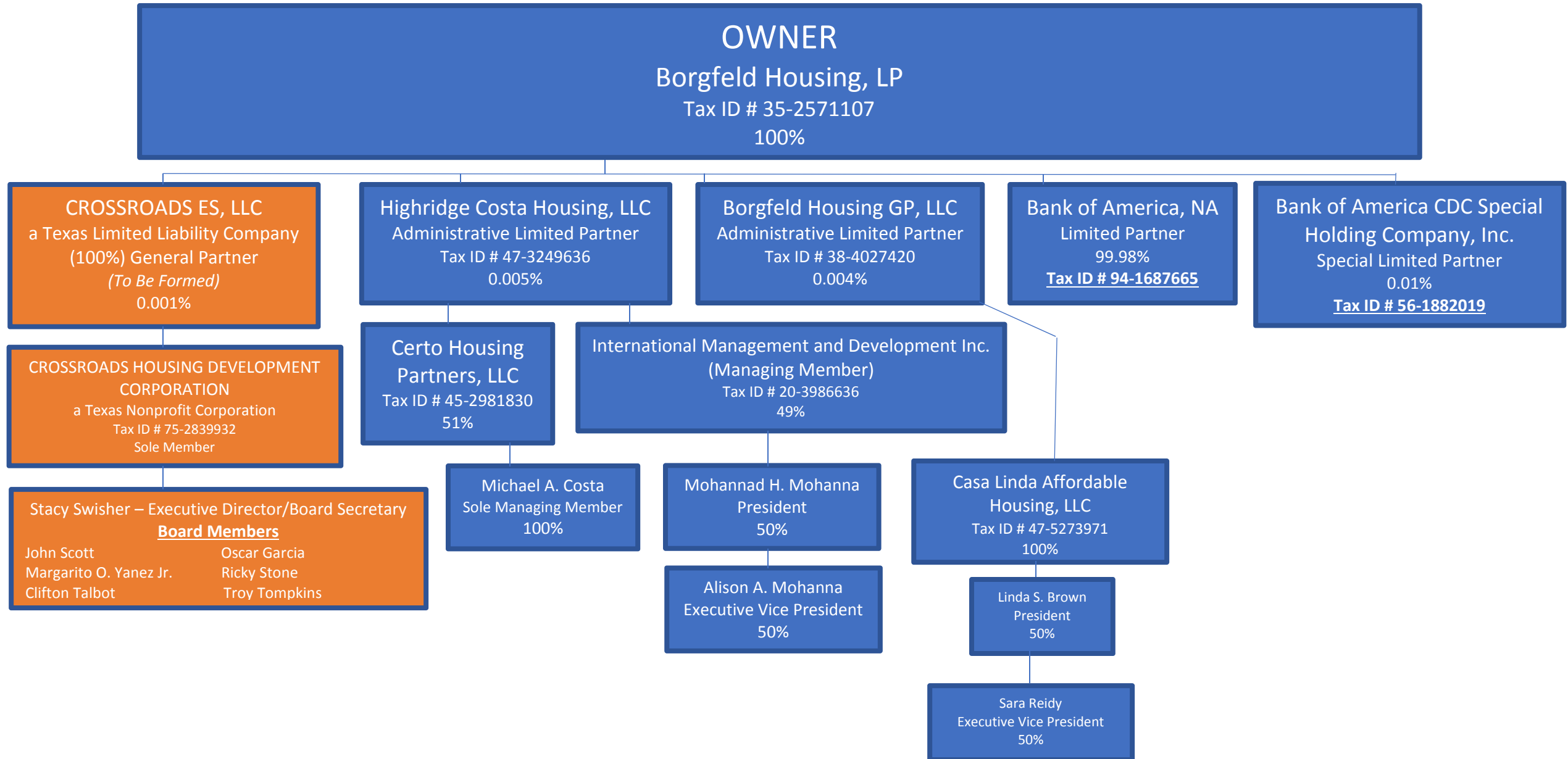
Ownership Structure Approved at Application



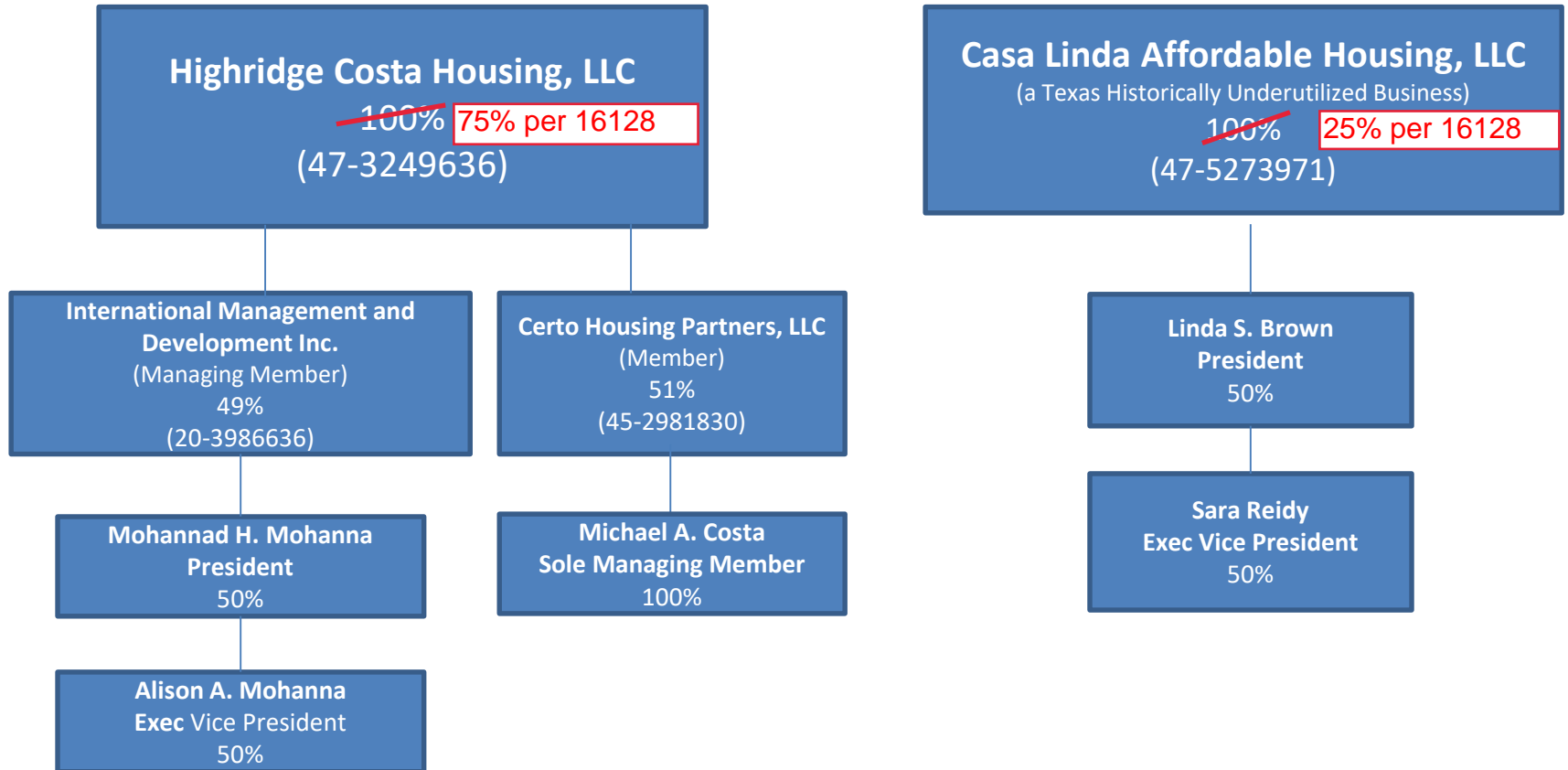
Proposed Ownership Structure



Organizational Chart of Ownership



Developers



Guarantor



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 remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must a 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)

Applicant Legal Name: <u>Borgfeld Housing, LP</u>	
Address: <u>330 West Victoria Street</u>	City: <u>Gardena</u> State: <u>CA</u> Zip: <u>90248</u>
Name(s) of Entities the Organization Owns or Controls: <u>none</u>	
Organization legally formed? <u>Yes</u>	Date formed: <u>1/7/2015</u> Legal Org is or will be: <u>Limited Partnership</u>
Previous TDHCA Experience? <u>No</u>	Phone: <u>(424) 258-2906</u> Email: <u>simon.fraser@housingpartners.com</u>

Org. 1

Organization Legal Name: <u>Highridge Costa Housing, LLC</u>		Role/Title: <u>MGP/Co-Developer</u>
Address: <u>330 West Victoria Street</u>	City: <u>Gardena</u> State: <u>CA</u> Zip: <u>90248</u>	
Name(s) of Entities the Organization Owns or Controls: <u>Borgfeld Housing, LP</u>		
Organization legally formed? <u>Yes</u>	Date formed: <u>2/18/2015</u>	Legal Org is or will be: <u>Limited Liability Company</u>
Previous TDHCA Experience? <u>Yes</u>	Phone: <u>4242582800</u>	Email: <u>moe.mohanna@housingpartners.com</u>
Organization is identified on Org. Chart: <u>Yes</u>	Ability to exercise Control over the Development? <u>Yes</u>	
List of Sub-Entities or Principals:		
1. <u>International Management & Development, Inc.</u>	2. <u>Certo Housing Partners, LLC</u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 2

Organization Legal Name: <u>Borgfeld Housing GP, LLC</u>		Role/Title: <u>AGP/Co-Developer</u>
Address: <u>2010 Kessler Parkway</u>	City: <u>Dallas</u> State: <u>TX</u> Zip: <u>75208</u>	
Name(s) of Entities the Organization Owns or Controls: <u>Borgfeld Housing, LP</u>		
Organization legally formed? <u>Yes</u>	Date formed: <u>8/18/2016</u>	Legal Org is or will be: <u>Limited Liability Company</u>
Previous TDHCA Experience? <u>No</u>	Phone: <u>2149410090</u>	Email: <u>lbrown@cldctx.com</u>
Organization is identified on Org. Chart: <u>Yes</u>	Ability to exercise Control over the Development? <u>Yes</u>	
List of Sub-Entities or Principals:		
1. <u>Casa Linda Affordable Housing, LLC</u>	2. <u></u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 3

Organization Legal Name: <u>International Management and Development, Inc.</u>		Role/Title: <u>MGP/Co-Developer</u>
Address: <u>330 West Victoria Street</u>	City: <u>Gardena</u> State: <u>CA</u> Zip: <u>90248</u>	
Name(s) of Entities the Organization Owns or Controls: <u>Highridge Costa Housing, LLC</u>		
Organization legally formed? <u>Yes</u>	Date formed: <u>12/16/2005</u>	Legal Org is or will be: <u>Corporation</u>
Previous TDHCA Experience? <u>Yes</u>	Phone: <u>4242582906</u>	Email: <u>moe.mohanna@housingpartners.com</u>
Organization is identified on Org. Chart: <u>Yes</u>	Ability to exercise Control over the Development? <u>No</u>	
List of Sub-Entities or Principals:		
1. <u>Mohannad H. Mohanna</u>	2. <u>Alison A. Mohanna</u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>No</u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 4

Organization Legal Name: Certo Housing Partners, LLC Role/Title ALP/Co-Developer

Address: 330 West Victoria Street City: Gardena State: CA Zip: 90248

Name(s) of Entities the Organization Owns or Controls: Highridge Costa Housing, LLC

Organization legally formed? Yes Date formed: 7/9/2010 Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? Yes Phone: 4242582800 Email: michael.costa@housingpartners.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:

1. <u>Michael A. Costa</u>	2. <u></u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 5

Organization Legal Name: Casa Linda Affordable Housing, LLC Role/Title ALP/Co-Developer

Address: 2010 Kessler Parkway City: Dallas State: TX Zip: 75208

Name(s) of Entities the Organization Owns or Controls: Borgfeld Housing GP, LLC

Organization legally formed? Yes Date formed: 8/18/2016 Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? Yes Phone: 2149410090 Email: lbrown@clcdtx.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:

1. <u>Linda S. Brown</u>	2. <u>Sara Reidy</u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 6

Organization Legal Name: Crossroads ES, LLC Role/Title MGP

Address: PO Box 1042 City: Big Springs State: TX Zip: 79720

Name(s) of Entities the Organization Owns or Controls: Borgfeld Housing, LP

Organization legally formed? No Date formed: TBD Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? No Phone: 4327707262 Email: stacyswisherchdc@aol.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? Yes

List of Sub-Entities or Principals:

1. <u>Crossroads Housing Development Corp.</u>	2. <u></u>	3. <u></u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>
4. <u></u>	5. <u></u>	6. <u></u>
TDHCA Experience: <u></u>	TDHCA Experience: <u></u>	TDHCA Experience: <u></u>

Org. 7

Organization Legal Name: Crossroads Housing Development Corporation Role/Title MGP

Address: PO Box 1042 City: Big Springs State: TX Zip: 79720

Name(s) of Entities the Organization Owns or Controls: Crossroads ES, LLC

Organization legally formed? Yes Date formed: 8/16/1999 Legal Org is or will be: Corporation

Previous TDHCA Experience? Yes Phone: 4327707262 Email: stacyswisherchdc@aol.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:

1. <u>Stacy Swisher</u>	2. <u>John Scott</u>	3. <u>Oscar Garcia</u>
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>

4. Margarito O. Yanez Junior

TDHCA Experience: Yes

5. Picky Stone

TDHCA Experience: Yes

6. Clifton Rabot

TDHCA Experience: Yes

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Org.

Organization Legal Name: continuation of Crossroad Housing Development Corp. Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? Date formed: _____ Legal Org is or will be:

Previous TDHCA Experience? Phone: _____ Email: _____

Organization is identified on Org. Chart: Ability to exercise Control over the Development?

List of Sub-Entities or Principals:

1. <u>Troy Tompkins</u>	2. _____	3. _____
TDHCA Experience: <u>Yes</u>	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org.

Organization Legal Name: _____ Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? Date formed: _____ Legal Org is or will be:

Previous TDHCA Experience? Phone: _____ Email: _____

Organization is identified on Org. Chart: Ability to exercise Control over the Development?

List of Sub-Entities or Principals:

1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org.

Organization Legal Name: _____ Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? Date formed: _____ Legal Org is or will be:

Previous TDHCA Experience? Phone: _____ Email: _____

Organization is identified on Org. Chart: Ability to exercise Control over the Development?

List of Sub-Entities or Principals:

1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org.

Organization Legal Name: _____ Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? Date formed: _____ Legal Org is or will be:

Previous TDHCA Experience? Phone: _____ Email: _____

Organization is identified on Org. Chart: Ability to exercise Control over the Development?

List of Sub-Entities or Principals:

1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org. 4

Organization Legal Name: Certo Housing Partners, LLC Role/Title MGP/Co-Developer

Address: 330 West Victoria Street City: Gardena State: CA Zip: 90248

Name(s) of Entities the Organization Owns or Controls: Highridge Costa Housing, LLC

Organization legally formed? Yes Date formed: 7/9/2010 Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? Yes Phone: 4242582800 Email: michael.costa@housingpartners.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:

1. <u>Michael A. Costa</u>	2. _____	3. _____
TDHCA Experience: <u>Yes</u>	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org. 5

Organization Legal Name: Casa Linda Affordable Housing, LLC Role/Title AGP/Co-Developer

Address: 2010 Kessler Parkway City: Dallas State: TX Zip: 75208

Name(s) of Entities the Organization Owns or Controls: Borgford Housing GP, LLC

Organization legally formed? Yes Date formed: 8/18/2016 Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? Yes Phone: 2149410090 Email: lbrown@cldctx.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? No

List of Sub-Entities or Principals:

1. <u>Linda S. Brown</u>	2. <u>Sara Reidy</u>	3. _____
TDHCA Experience: <u>Yes</u>	TDHCA Experience: <u>Yes</u>	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org.

Organization Legal Name: _____ Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? _____ Date formed: _____ Legal Org is or will be: _____

Previous TDHCA Experience? _____ Phone: _____ Email: _____

Organization is identified on Org. Chart: _____ Ability to exercise Control over the Development? _____

List of Sub-Entities or Principals:

1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

Org.

Organization Legal Name: _____ Role/Title _____

Address: _____ City: _____ State: _____ Zip: _____

Name(s) of Entities the Organization Owns or Controls: _____

Organization legally formed? _____ Date formed: _____ Legal Org is or will be: _____

Previous TDHCA Experience? _____ Phone: _____ Email: _____

Organization is identified on Org. Chart: _____ Ability to exercise Control over the Development? _____

List of Sub-Entities or Principals:

1. _____	2. _____	3. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____
4. _____	5. _____	6. _____
TDHCA Experience: _____	TDHCA Experience: _____	TDHCA Experience: _____

The Previous Participation Form is posted in a separate Excel Workbook that includes "Instructions" for copying it.

Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: International Management and Development, Inc./ Managing member of ALP & Dev

Email Address: moe.mohanna@housingpartners.com

City & State of Home Addr: Gardena, California

Applicant Legal Name: Borgfeld Housing, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHTF, 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.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
15173	The Heights	Edinburg	HTC	Sep-15	present
16128	El Sereno Apartments	Cibolo	HTC	Jul-16	present
16432	Oaks at Georgetown	Georgetown	HTC	Oct-16	present

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.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							NSP	

Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: International Management and Development, Inc./ MGP & Co-Developer
 Email Address: _____
 City & State of Home Addr: Gardena, California
 Applicant Legal Name: Borgfeld Housing, LP (to be formed)

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (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.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
15173	The Heights Apartments	Edinburg	HTC	Sep-15	

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.

Community Affairs:	CEAP	DOE	HHSP	WAP
	CSBG	ESG	LIHEAP	
HOME:	CFDC	HBA	PWD	TBRA
	DR	HRA	SFD	
HTF/OCI:	AYBR	Bootstrap	CFDC	Self-Help
Other:				NSP

Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: Mohannad H. Mohanna/ Managing General Partner & Co-Developer
 Email Address: moe.mohanna@housingpartners.com
 City & State of Home Addr: Gardena, California
 Applicant Legal Name: Borgfeld Housing, LP (to be formed)

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (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.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
15173	The Heights Apartments	Edinburg	HTC	Sep-15	

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.

Community Affairs:	CEAP		DOE		HHSP		WAP	
	CSBG		ESG		LIHEAP			
HOME:	CFDC		HBA		PWD		TBRA	
	DR		HRA		SFD			
HTF/OCI:	AYBR		Bootstrap		CFDC		Self-Help	
Other:							NSP	

Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: Michael A. Costa/ Managing General Partner & Co-Developer

Email Address: michael.costa@housingpartners.com

City & State of Home Addr: Gardena, California

Applicant Legal Name: Borgfeld Housing, LP (to be formed)

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, HOME (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.

TDHCA ID#	Property Name	Property City	Program	Control began (mm/yy)	Control End (mm/yy)
01121	Main Street Townhomes (TownParc@Paris)	Paris	HTC	May-02	
96188	The Oaks at Georgetown Apartments	Georgetown	HTC	Sep-95	
15173	The Heights Apartments	Edinburg	HTC	Sep-15	

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.

Community Affairs:	CEAP	DOE	HHSP	WAP
	CSBG	ESG	LIHEAP	
HOME:	CFDC	HBA	PWD	TBRA
	DR	HRA	SFD	
HTF/OCI:	AYBR	Bootstrap	CFDC	Self-Help
Other:				NSP

Nonprofit Participation

NOT APPLICABLE

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: _____

Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period? _____

If no to the question above, what is its current legal status? _____

If "Other" please specify: _____

Date of legal formation of Nonprofit Organization: _____

1) Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity? _____

If "Yes", will this nonprofit organization Control the Applicant? _____

What is the ownership percentage of this nonprofit organization? _____

2) Describe the nonprofit's participation: _____

3) Describe the nonprofit's participation in the operation of the Development throughout the Compliance and/or extended use period:

4) Will the nonprofit receive part of the development fees paid in connection with the development? _____

If "Yes," explain: _____

LIST OF THE NONPROFIT ORGANIZATION'S BOARD MEMBERS, DIRECTORS AND OFFICERS

Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			
Name					Title				
Address			City			State		Zip	
Phone		Ext.	Fax or Email			Occupation			

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: Crossroads Housing Development Corporation

Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period? Yes

If no to the question above, what is its current legal status? _____

If "Other" please specify: _____

Date of legal formation of Nonprofit Organization: 8/16/1999

1) Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity? Yes

If "Yes", will this nonprofit organization Control the Applicant? Yes

What is the ownership percentage of this nonprofit organization? 0.001

2) Describe the nonprofit's participation: Managing General Partner

3) Describe the nonprofit's participation in the operation of the Development throughout the Compliance and/or extended use period:

Nonprofit will participate in the review and approval of operating budgets as prepared and submitted by Property Mgmt; they will review and approve partnership financials and tax returns and prepare the annual property tax exemption application. The nonprofit will also fulfill the duties as outlined in the partnership agreement for the responsibilities of the General Partner.

4) Will the nonprofit receive part of the development fees paid in connection with the development? Yes

If "Yes," explain: The nonprofit will receive the lesser of 5% or \$100,000 of the developer fee.

LIST OF THE NONPROFIT ORGANIZATION'S BOARD MEMBERS, DIRECTORS AND OFFICERS

Stacy Swisher		Board Secretary	
Name	Title		
PO Box 1042	Big Spring	TX	79721
Address	City	State	Zip
(432) 770-7262	stacyswisherchdc@aol.com	Executive Director, CHDC	
Phone	Ext.	Fax or Email	Occupation
John Scott		Board Chairman	
Name	Title		
704 Belvedere Road	Big Spring	TX	79720
Address	City	State	Zip
(432) 268-3056	john@thebankersbroker.com	President, Banker's Broker	
Phone	Ext.	Fax or Email	Occupation
Oscar Garcia		Board Member	
Name	Title		
2501 Albrook Drive	Big Spring	TX	79720
Address	City	State	Zip
(432) 213-2040	ogarcia_79720@yahoo.com	Locomotive Eng, Union Pacific Railroad	
Phone	Ext.	Fax or Email	Occupation
Margarito O Yanez, Jr.		Board Member	
Name	Title		
110 N. Nolan Street	Big Spring	TX	79720
Address	City	State	Zip
(512) 439-9062	junior.yanez@duke-energy.com	Business Mgr, Duke Energy	
Phone	Ext.	Fax or Email	Occupation
Ricky Stone		Board Member	
Name	Title		
PO Box 836	Coahoma	TX	79511
Address	City	State	Zip
(432) 413-8063	rickandbarbstone@yahoo.com	Station Mgr, Plains All Amer. Pipeline	
Phone	Ext.	Fax or Email	Occupation
Clifton Talbot		Board Member	
Name	Title		
2817 Coronado Avenue	Big Spring	TX	79720
Address	City	State	Zip
(432) 264-7105	cliftalbot@gmail.com	Retired	
Phone	Ext.	Fax or Email	Occupation
Troy Tompkins		Board Member	
Name	Title		
401 Austin Street, #105	Big Spring	TX	79720
Address	City	State	Zip
(432) 213-2461	troy.tompkins@prudential.com	Financial Advisor, Prudential	
Phone	Ext.	Fax or Email	Occupation

Nonprofit Supporting Documents Should be Included Behind this Tab

Applications involving a Qualified Nonprofit Organization pursuant to Texas Government Code, §2306.6706 that have 501(c)(3) or 501(c)(4) designation at the time of Application and competitive 9% HTC Applications electing to compete the Nonprofit Set-aside must provide the following documentation behind this tab:

- IRS determination letter
- Third Party legal opinion (not applicable to Tax-Exempt Bond Developments)
- The Nonprofit's most recent financial statement as prepared by a Certified Public Accountant (not applicable to Tax-Exempt Bond Developments)
- Certification regarding Board member residence (not applicable to Tax-Exempt Bond Developments)



INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JAN 20 2004

CROSSROADS HOUSING DEVELOPMENT
CORPORATION
PO BOX 1042
BIG SPRING, TX 79720-0000

Employer Identification Number:
75-2839932
DLN:
17053340725093
Contact Person:
L. WAYNE BOTHE ID# 31462
Contact Telephone Number:
(877) 829-5500
Public Charity Status:
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated FEBRUARY 2000, 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 during an advance ruling period.

Based on our records and on the information you submitted, we are pleased to confirm that you are exempt under section 501(c)(3) of the Code, and you are classified as a public charity under the Code section listed in the heading of this letter.

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 between 8:00 a.m. - 6:30 p.m. Eastern time.

Please keep this letter in your permanent records.

Sincerely yours,



Lois G. Lerner
Director, Exempt Organizations
Rulings and Agreements

CROSSROADS HOUSING DEVELOPMENT CORPORATION

**FINANCIAL STATEMENTS &
INDEPENDENT AUDITOR'S REPORT**

**DECEMBER 31, 2017
(with comparative totals for 2016)**

**Randy Silhan, CPA, CFE
Certified Public Accountant
Certified Fraud Examiner**

CROSSROADS HOUSING DEVELOPMENT CORPORATION

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Randy Silhan, CPA, CFE
Certified Public Accountant
Certified Fraud Examiner



INDEPENDENT AUDITOR'S REPORT

The Board of Directors of Crossroads Housing Development Corporation

I have audited the accompanying financial statements of Crossroads Housing Development Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crossroads Housing Development Corporation as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited Crossroads Housing Development Corporation's 2016 financial statements, and my report dated June 29, 2017 expressed an unmodified opinion on those financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

In connection with my audit, in my opinion, the Organization has complied with all of the terms and conditions of exemption under Section 11.1825 and 11.1826 of the Texas Property Tax Code.

Randy G. Ham, CPA, CFE

Lubbock, Texas

June 23, 2018

CROSSROADS HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(with comparative totals for 2016)

	2017	2016
A S S E T S		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 71,975	\$ 103,730
Total Current Assets	71,975	103,730
PROPERTY AND EQUIPMENT		
Real Estate Held for Sale	3,567	3,567
Fixed Assets Used in Operations, net of accumulated depreciation	58,556	61,577
Total Property and Equipment	62,123	65,144
OTHER ASSETS		
Other Investments - Certificates of Deposit	125,000	-
Limited Partnership Interests	289	32,324
Total Other Assets	125,289	32,324
TOTAL ASSETS	\$ 259,387	\$ 201,198
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accrued Liabilities	\$ 12	\$ 2,114
Compensated Absences	12,808	12,808
TOTAL CURRENT LIABILITIES	12,820	14,922
TOTAL LIABILITIES	12,820	14,922
NET ASSETS		
Unrestricted	246,567	186,276
TOTAL NET ASSETS	246,567	186,276
TOTAL LIABILITIES AND NET ASSETS	\$ 259,387	\$ 201,198

The accompanying notes are an integral part of these financial statements

CROSSROADS HOUSING DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	<u>2017</u>	<u>2016</u>
REVENUES & SUPPORT - UNRESTRICTED		
LIHTC Project General Contractor Fees	\$ 2,316,862	\$ 13,039,101
Less: Payments to Subcontractors on LIHTC Projects	<u>(2,316,862)</u>	<u>(13,039,101)</u>
	<u>-</u>	<u>-</u>
General Contractor and Developer Service Fees	212,868	151,385
Grants & Contributions	25,000	-
Rental Income	8,400	9,100
Interest Income	79	150
Income (Losses) from Partnership Interests	<u>(32,035)</u>	<u>32,548</u>
TOTAL REVENUES & SUPPORT	<u>214,312</u>	<u>193,183</u>
EXPENSES		
Program Services:		
Fresh Start	527	841
Low Income Housing Tax Credits	108,144	98,116
Neighborhood Training Center	<u>527</u>	<u>505</u>
TOTAL PROGRAM SERVICES	<u>109,198</u>	<u>99,462</u>
Supporting Services:		
Management and General	<u>44,823</u>	<u>43,018</u>
TOTAL SUPPORT SERVICES	<u>44,823</u>	<u>43,018</u>
TOTAL EXPENSES	<u>154,021</u>	<u>142,480</u>
CHANGE IN NET ASSETS	<u>60,291</u>	<u>50,703</u>
BEGINNING NET ASSETS	<u>186,276</u>	<u>135,573</u>
ENDING NET ASSETS	<u>\$ 246,567</u>	<u>\$ 186,276</u>

The accompanying notes are an integral part of these financial statements

CROSSROADS HOUSING DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	PROGRAM SERVICES				SUPPORT	TOTALS	
	Fresh Start	Low Income Housing Tax Credits	Neighborhood Training Center	Total	Management & General	2017	2016
Salaries	\$ 370	\$ 59,940	\$ 370	\$ 60,680	\$ 13,320	\$ 74,000	\$ 74,000
Payroll Taxes	29	4,671	29	4,729	1,038	5,767	5,743
Health Insurance	43	6,894	43	6,980	1,532	8,512	4,831
Retirement	27	4,374	27	4,428	972	5,400	5,400
Utilities	24	3,911	24	3,959	869	4,828	4,736
Depreciation	-	-	-	-	3,021	3,021	2,824
Professional Fees	-	6,537	-	6,537	11,374	17,911	11,394
Telephone	10	1,697	10	1,717	377	2,094	2,799
Travel	-	16,135	-	16,135	-	16,135	16,232
Repairs and Maintenance	-	-	-	-	3,187	3,187	2,373
Office Expense	24	3,835	24	3,883	852	4,735	3,399
Dues & Subscriptions	-	150	-	150	130	280	340
Property Taxes	-	-	-	-	-	-	336
General & Property Insurance	-	-	-	-	8,151	8,151	8,073
TOTALS	\$ 527	\$ 108,144	\$ 527	\$ 109,198	\$ 44,823	\$ 154,021	\$ 142,480

The accompanying notes are an integral part of these financial statements

CROSSROADS HOUSING DEVELOPMENT CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 60,291	\$ 50,703
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	3,021	2,824
(Gains) Losses from Partnership Interests	32,035	(32,548)
Change in Assets and Liabilities:		
Increase (Decrease) in Accounts Payable and Accrued Expenses	(2,102)	(3,000)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	93,245	17,979
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Other Investments	(125,000)	-
Purchases of Equipment	-	(1,181)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(125,000)	(1,181)
NET CHANGE IN CASH & CASH EQUIVALENTS	(31,755)	16,798
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	103,730	86,932
CASH & CASH EQUIVALENTS AT END OF YEAR	\$ 71,975	\$ 103,730

The accompanying notes are an integral part of these financial statements

CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Crossroads Housing Development Corporation (the "Organization") is a non-profit corporation organized in the State of Texas in 1999. The Organization is organized and operated as a community housing development organization (CHDO) pursuant to 24 Code of Federal Regulations, Part 92 that assists in creating, managing, and developing affordable housing for citizens of Howard County and its contiguous counties and all areas west of US Highway 59 in the State of Texas and Regions 4, 5, and 6 as reflected in the Texas Dept. of Housing and Community Affairs Map of Uniform State Service Regions of Texas. A summary of the Organization's programs is as follows:

Fresh Start: This is a program whereby the Organization receives abandoned properties and uses volunteers from a local high school and collegiate institute to remodel homes to meet minimum housing quality standards. Local sub-contractors are used to provide electric, plumbing and HVAC services. Houses are then sold to low income families. This program is currently on hold.

Low Income Housing Tax Credits: The Organization participates in Low Income Housing Tax Credit (LIHTC) projects under IRC Section 42 as general partner and general contractor on several projects throughout the state of Texas, for which they receive contractor and developer fees. Ownership interests in these projects are discussed further in Note 3.

Neighborhood Training Center: This program creates an educational center for empowering and educating low income families in financial literacy, asset building, and home ownership training. This program is currently inactive.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting consistent with generally accepted accounting principles applicable to voluntary health and welfare organizations in the United States of America.

Financial Statement Presentation

In accordance with FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. Therefore, no provision for federal income taxes has been made in the financial statements.

In addition, the Organization has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2017.

Cash & Cash Equivalents

The Organization considers all cash on hand, cash held in demand accounts, certificates of deposit, and all highly liquid investments maturing in three (3) months or less to be cash and cash equivalents.

Other Investments

Certificates of deposit (CD) with maturities of over three months are classified as Other Investments. The Organization currently owns three CDs, each of which has a maturity of one year or more.

Property and Equipment

Property and equipment of more than \$250 is recorded at cost for purchased property and fair market value at the date of acquisition for donated property. Property and equipment used in operations are depreciated using the straight-line method over the asset’s estimated useful lives that range from 5 to 40 years. The cost of repairs and maintenance is charged to expense as incurred.

Real estate held for sale is capitalized at purchased cost or the fair value of the donated property at the date received. Costs of remodeling and improvements are capitalized. This property is not depreciated as it is held for investment purposes. It is evaluated annually for impairments.

Donated Property and Services

The Organization may from time to time receive donated services from unpaid volunteers under the Fresh Start program. No fair market value for these services has been assigned by the volunteers; therefore, the contributed use of the services is not measurable with sufficient reliability and does not qualify for recognition under FASB ASC 958.

The Organization may also receive donated abandoned houses for the Fresh Start program. These houses are recognized at fair market value on the date contributed.

Support & Revenue Recognition

The Organization receives the majority of its revenues from contractor and developer fees under the LIHTC program and the sale of houses under the Fresh Start program. The Organization does receive support from other sources from time to time in the form of grants and contributions.

CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Support & Revenue Recognition

The Organization follows FASB ASC 958, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted support whereby restrictions are met in the same year are classified as unrestricted.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Comparative Totals

The financial statements include summarized comparative information from the prior year, which is not presented by net asset class and does not include sufficient detail to conform to generally accepted accounting principles. This information should be read in conjunction with the Organization's 2016 financial statements from which the comparative information was derived.

NOTE 2: PROPERTY AND EQUIPMENT

Real estate held for sale consists of a single family residential house totaling \$3,567 as of December 31, 2017. This property includes costs of remodeling and improvements made to a property donated to the Organization for the Fresh Start program. Donated properties are recorded at fair market value at the time of the donation was made.

Fixed assets used in operations consist of the following as of December 31, 2017:

Land	\$ 860
Buildings	98,204
Furniture and Equipment	<u>15,185</u>
	114,249
Accumulated Depreciation	<u>(55,693)</u>
Net Fixed Assets Used in Operations	<u>\$58,556</u>

Depreciation expense totaled \$3,021 in 2017.

CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 3: LIMITED PARTNERSHIP INTERESTS

As of December 31, 2017, the Organization has ownership interests in twelve different LIHTC project limited partnerships and joint ventures (eleven as general partner and one as a limited partner). The purpose of these projects is to acquire, develop, rehabilitate, own, operate, sell or otherwise dispose of low income housing rental projects that are intended to qualify for LIHTC under Section 42 of the IRC, and consistent with the charitable purposes of the Organization, to provide housing for poor and distressed persons. The Organization's general partner interest is structured as a sole member LLC in nine of these partnerships with a minority financial interest of less than or equal to .01% equity. The Organization's general partner interest in one partnership is structured as a wholly owned corporation with a .005% minority financial interest. The Organization itself is a limited partner with a minority financial interest of .01% in one partnership. The Organization is a 99% general partner in a joint venture partnership whereby a special limited partner serves as managing contractor.

These interests are accounted for under the equity method, as permitted by FASB ASC 810-20. The Organization has not elected to report these interests at fair value under FASB ASC 825, and therefore, is not subject to the fair value measurements disclosures under FASB ASC 820. The Organization's share of earnings and losses are reported as accrued in the statement of activities. The statement of financial position reflects the original cost of the investment plus undistributed earnings and losses.

NOTE 4: COMPENSATED ABSENCES

Full-time employees begin accruing flex time as defined in the Organization's personnel policy. No employee may accrue more than 45 days of flex time. The liability for accrued flex time as of December 31, 2017 totaled \$12,808.

NOTE 5: RETIREMENT PLAN

In 2015, the Organization established a Simplified Employee Pension Plan (SEP) for eligible employees. The board of directors voted to contribute 10% of eligible compensation to the plan. Contributions to the plan totaled \$5,400 in 2017.

NOTE 6: CONTINGENCIES & COMMITMENTS

LIHTC Projects

Since the Organization participates in low income housing tax credit projects, they are required to comply with specific terms and agreements under federal and state laws and regulations. Such compliance is subject to review and audit by federal and state agencies and their representatives. In the opinion of management, the Organization has complied with all requirements. However, since such programs are subject to future audit or review, the possibility of disallowed expenditures exists. Management does not anticipate any such disallowances or questioned costs.

The Organization is engaged as general contractor for several low income housing tax credit projects that are being developed. The Organization receives contractor fees and developer fees over the course of the development of the projects. The Organization also receives lump sum fees on completion of certain projects depending on the terms of the agreement. Contractor and developer fees for which the Organization is engaged for 2018 and future years total approximately \$2,525,580 through 2029. Payouts and fees are recognized as earned by terms outlined in the individual projects.

CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 6: CONTINGENCIES & COMMITMENTS - continued

LIHTC Projects - continued

The Organization is also in the process of purchasing other properties and has partnership applications in process that will generate future developer fees in connection with LIHTC projects.

Federal and State Programs

The Organization participates in a federal and state grant program administered by HUD, which is passed through to the TDHCA. In connection with this program, the Organization is required to comply with specific terms and agreements, as well as applicable federal and state laws and regulations. Such compliance is subject to review and audit by the grantors and their representatives. In the opinion of management, the Organization has complied with all requirements.

This program is subject to future audit or review; therefore, the possibility of disallowed expenditures and future liabilities does exist. Management does not anticipate any such disallowances or questioned costs.

Arbitration settlement

In August of 2017, the Organization settled, in full, an arbitration request for which a settlement demand claim for payment was made by a subcontractor against a joint venture partnership for which the Organization was named as general contractor. The settlement totaled \$25,000. A donation of \$25,000 was made by the property owner in November 2017 to reimburse the Organization for the settlement.

NOTE 7: RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers," which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. For non-public entities, the new standard was originally effective for annual periods beginning after December 15, 2017. In August 2015, the FASB issued ASU 2015-4, "Revenue from Contracts with Customers (Topic 606) – Deferral of Effective Date," which deferred the effective date for one year. Accordingly, this ASU will be effective for the Organization for the year ended December 31, 2019.

In February 2016, the FASB issued an accounting standards update (ASU 2016-02), intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate and equipment. The ASU will require organizations that lease assets—referred to as "lessees"—to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The amendments in this Update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

In August 2016, the FASB issued an accounting standards update (ASU 2016-14) that will result in significant changes to the presentation of financial statements of not-for-profit entities. The main provisions are as follows: (1) eliminate requirement to present separately amounts for *temporarily restricted net assets* and *permanently restricted net assets*, (2) eliminate requirement to present separately the transactions and other changes in each of those classes of net assets, (3) eliminate requirement to present cash flows provided by operating activities using the indirect method of reporting, (4) present two net asset classes rather than the current three by reporting net assets with donor restrictions and without donor restrictions, (5) provide enhanced disclosures for: board designations and donor-imposed restrictions, liquidity, quantitative

**CROSSROADS HOUSING DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 7: RECENT ACCOUNTING PRONOUNCEMENTS - continued

information on the availability of an NFP to meet cash needs within one year of balance sheet date, and (6) voluntary health and welfare organizations will no longer be required to provide a statement of functional expenses; rather, they can provide such information about expenses on the face of the statement of activities, as a separate statement, or in notes to financial statements. This Update is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018.

The Organization is currently evaluating the impact of these updates.

NOTE 8: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 23, 2018, the date with which the financial statements were available to be issued. No significant subsequent events have occurred that would require disclosure in the notes or recognition in the financial statements.

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:

Highridge Costa Housing, LLC	Mohannad H. Mohanna	(424) 258-2906
Contact Name		Phone
moe.mohanna@housingpartners.com	TBD	47-3249636
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="Yes"/>		

Housing General Contractor:

HCHP Contractors, LP	Pete Harispuru	(424) 258-2902
Contact Name		Phone
pete.harispuru@housingpartners.com	\$668,922.00	27-5035049
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="Yes"/>		

Infrastructure General Contractor:

N/A		
Contact Name		Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text"/>		

Cost Estimator:

HCHP Contractors, LP	Pete Harispuru	(424) 258-2902
Contact Name		Phone
pete.harispuru@housingpartners.com	N/A	27-5035049
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="Yes"/>		

Architect:

Humphreys & Partners Architects, L.P.	Michael Smith	(972) 701-9636
Contact Name		Phone
michael@humphreys.com	\$420,000.00	75-2378544
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="Yes"/>		

Engineer:

Contact Name		Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?		
This is a direct or indirect, financial, or other interest with Applicant or other team members*		

Civil Engineer:

HP Civil Engineering			Brian Bridgewater, P.E.			(972) 701-9636					
Contact Name						Phone					
brian@hpcivileng.com						\$226,206.00			27-2351791		
Email						Proposed Fee			Tax ID Number (TIN)		
Certified Texas HUB?						No					
This is a direct or indirect, financial, or other interest with Applicant or other team members*									Yes		

Market Analyst:

Apartment Market Data			Darrell G. Jack			(210) 530-0040					
Contact Name						Phone					
djack@stic.net						\$3,250.00			20-3964998		
Email						Proposed Fee			Tax ID Number (TIN)		
Certified Texas HUB?						No					
This is a direct or indirect, financial, or other interest with Applicant or other team members*									No		

Appraiser:

Contact Name						Phone					
Email						Proposed Fee			Tax ID Number (TIN)		
Certified Texas HUB?											
This is a direct or indirect, financial, or other interest with Applicant or other team members*											

Attorney:

Locke Lord			Cynthia Bast			(512) 305-4707					
Contact Name						Phone					
cbast@lockelord.com						TBD			74-1164324		
Email						Proposed Fee			Tax ID Number (TIN)		
Certified Texas HUB?						No					
This is a direct or indirect, financial, or other interest with Applicant or other team members*									No		

Accountant:

Novogradac & Company, LLP			Jim Kroger			(415) 356-8000					
Contact Name						Phone					
jim.kroger@novoco.com						TBD			94-3108253		
Email						Proposed Fee			Tax ID Number (TIN)		
Certified Texas HUB?						No					
This is a direct or indirect, financial, or other interest with Applicant or other team members*									No		

Property Manager:

UAH Property Management, LP	Michael Clark	(214) 265-7227
	Contact Name	Phone
mclark@uahmgmt.com	\$50,583.00 / year	26-0052388
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="No"/>		

Originator of Underwriter:

Bank Of America	Charmaine Atherton	(213) 621-4816
	Contact Name	Phone
charmaine.atherton@baml.com		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="No"/>		

Bond Issuer:

N/A		
	Contact Name	Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text"/>		

Syndicator:

BANK OF AMERICA, N.A.	Charmaine Atherton	(213) 621-4816
	Contact Name	Phone
charmaine.atherton@baml.com		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text" value="No"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text" value="No"/>		

Supportive Services Provider:

	Contact Name	Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text"/>		

Supportive Services Provider:

	Contact Name	Phone
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	<input type="text"/>	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		
<input type="text"/>		

Title Company

[Redacted]		
Contact Name		Phone
[Redacted]		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	[Redacted]	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		[Redacted]

Application Consultant:

[Redacted]		
Contact Name		Phone
[Redacted]		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	[Redacted]	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		[Redacted]

ESA Provider:

ECS Texas, LLP	Mark Zortman, PE	(972) 392-3222
Contact Name		Phone
mzortman@esclimited.com	[Redacted]	54-1439291
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	No	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		No

PCA Provider:

[Redacted]		
Contact Name		Phone
[Redacted]		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	[Redacted]	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		[Redacted]


Other:

[Redacted]		
Contact Name		Phone
[Redacted]		
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	[Redacted]	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		[Redacted]

Other:

Casa Linda Affordable Housing, LLC	Linda S. Brown	(214) 941-0090
Contact Name		Phone
lbrown@cldctx.com	TBD	47-5273971
Email	Proposed Fee	Tax ID Number (TIN)
Certified Texas HUB?	Yes	
This is a direct or indirect, financial, or other interest with Applicant or other team members*		No

Architect Certification Form

 The Architect Certification is included behind this tab.

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>.

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.

2018 Architect Certification

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

November 28, 2018
Date

Robert Finta
Printed Name

Texas License 21055
License Number and State



Humphreys & Partners Architects, L.P.
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 unless the property receives project-based Section 8 assistance.





TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oxer, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

February 12, 2016

Writer's direct phone # 512-475-1676
Email: marni.holloway@tdhca.state.tx.us

Mr. Mohannad H. Mohanna
c/o Colette M. Whitehorse
330 West Victoria Street
Gardena, California 90248

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2016 UNIFORM MULTIFAMILY RULES

Dear Mr. Mohanna:

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. ...

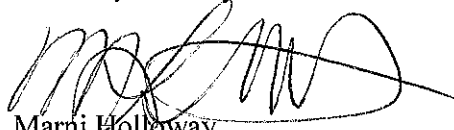
(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

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,

A handwritten signature in black ink, appearing to read 'Marni Holloway', written over a horizontal line.

Marni Holloway
Director of Multifamily Finance



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Greg Abbott
GOVERNOR

BOARD MEMBERS
J. Paul Oser, *Chair*
Juan S. Muñoz, PhD, *Vice Chair*
Leslie Bingham-Escareño
T. Tolbert Chisum
Tom H. Gann
J.B. Goodwin

January 11, 2016

Writer's direct phone # 512-475-1676
Email: marni.holloway@tdhca.state.tx.us

Ms. Linda S. Brown
2010 Kessler Parkway
Dallas, Texas 75208

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2016 UNIFORM MULTIFAMILY RULES

Dear Ms. Brown:

We have reviewed your request for an experience certificate, which is provided to individuals that meet the requirements of §10.204(6) of the Uniform Multifamily Rules. In order to meet the experience requirements an individual must establish that they have experience in the development and placement in service of at least 150 residential units. We find that the documentation you have provided is sufficient to establish this required experience. Additionally, you have certified to compliance with the requirements of §10.204(6)(B), including the following requirements:

(ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state, in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence. ...

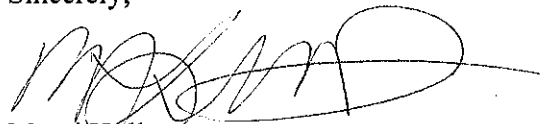
(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

Should you choose to participate as a member of the Development Team or an individual providing experience for any Application submitted for funding, a Previous Participation Review (10 TAC §1.5) may be conducted prior to any award of funds. Additionally, should it be determined at any point in time that the information provided in your request for experience is fraudulent, knowingly falsified, intentionally or negligibly materially misrepresented, or omits relevant information, this certificate of experience is null and void and you may be subject to other sanctions under the Texas Department of Housing and Community Affairs' rules and requirements.



If you have any questions or concerns regarding this certificate or the experience requirements, please contact Marni Holloway at marni.holloway@tdhca.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marni Holloway', with a long horizontal flourish extending to the right.

Marni Holloway
Director of Multifamily Finance

El Sereno [18509] – TDHCA DL Application Deficiency Notice #37

The DUNS number application process has been initiated and will be delivered as soon as available.

The Dun & Bradstreet logo, featuring the company name in a blue serif font with a stylized ampersand.

#37

 **Submit Case** Case 22601467 Created

Thank You. Your request has been submitted as Case #22601467. Responses will be directed to the email address or telephone number provided.

The following data will be completed within 24 business hours:

- Company Name
- DBA / Tradestyle
- Phone Number
- Business Address
- Business Structure / Legal Structure
- Company Website
- Number of Employees
- SIC / NAICS
- Year Business Started
- CEO, Owners, Officers, Directors, Managers

Other updates may take longer due to validation and verification, for example:

- Banking & Financial Information
- Linkage (adding Branches or Headquarters)

To submit another request, please click on "Submit Case" on the menu above.

#37

United States : English

67.159.160.194

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El Sereno [18509] – TDHCA DL Application Deficiency Notice #38

SAM registration will commence as soon as the DUNS number is obtained.

Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than \$3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All 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).

NOT APPLICABLE

Instructions:

Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.	b. Person/entity has at least one other application in the current Application Round.	
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Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: _____ Its: Managing General Partner

Signature of Applicant *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: _____

- 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.

Development Name:	Region:	City:	% Ownership:	% of Dev. Fee:
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

I acknowledge that _____ 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) _____
Printed Name _____
Date

Community Input Scoring Items

TDHCA#:

1. Local Government Support - §11.9(d)(1)

Resolution(s) of either "no objection" or "support" is included behind this tab.**
** Note that resolutions are due March 1, 2018

2. Community Support from State Representative - §11.9(d)(5)

Letter of either "support" or "opposition" is included behind this tab.**
** Note that letters are due March 1, 2018

3. Input from Community Organizations - §11.9(d)(6)

Applicant has included one or more letters of support or opposition behind this tab.

List information for each of the letters below:

A.

Name of Community Organization

Contact Name

Support

Opposition

B.

Name of Community Organization

Contact Name

Support

Opposition

C.

Name of Community Organization

Contact Name

Support

Opposition

D.

Name of Community Organization

Contact Name

Support

Opposition

E.

Name of Community Organization

Contact Name

Support

Opposition

F.

Name of Community Organization

Contact Name

Support

Opposition

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

**U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity**

OMB Approval No. 2529-0013
(exp.12/31/2016)

<p>1a. Project Name & Address (including City, County, State & Zip Code)</p> <p>El Sereno NW of W. Borgfeld and Dobie Blvd Cibolo, Guadalupe County, TX, 78108</p>	<p>1b. Project Contract Number</p> <p style="border: 1px solid black; height: 20px;"></p>	<p>1c. No. of Units</p> <p style="border: 1px solid black; text-align: center;">136</p>
	<p>1d. Census Tract</p> <p style="border: 1px solid black;">48187210708</p>	<p>1e. Housing/Expanded Housing Market Area</p> <p style="border: 1px solid black;">Housing Market Area/MSA: Cibolo/San Antonio-New Braunfels Expanded Housing Market Area: Guadalupe</p>
<p>1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address</p> <p style="border: 1px solid black;">UAH Property Management, LP, Michael Clark, 10670 N. Central Expressway, Suite 500, Dallas, Dallas County TX 75231. (214)265-7227, mclark@uahmgt.com</p>		
<p>1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address</p> <p style="border: 1px solid black;">Borgfeld Housing, LP, all other information TBD</p>		
<p>1h. Entity Responsible for Marketing (check all that apply)</p> <p> <input type="checkbox"/> Owner <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Other (specify) Property Manager </p> <p style="font-size: small;">Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address</p> <p style="border: 1px solid black; padding: 2px;">Property Manager, NW of W. Borgfeld and Dobie Blvd, Cibolo, Guadalupe County, TX, 78108. 210-380-5895, elsereno@uahmgt.com</p>		
<p>1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.</p> <p style="border: 1px solid black; padding: 2px;">Morgan Mathews, UAH Property Management, LP, 10670 N. Central Expressway, Suite 500, Dallas, TX 75231. (214)265-7227, mmathews@uahmgt.com</p>		
<p>2a. Affirmative Fair Housing Marketing Plan</p> <p>Plan Type Initial Plan Date of the First Approved AFHMP: </p> <p>Reason(s) for current update: New Construction</p>		
<p>2b. HUD-Approved Occupancy of the Project (check all that apply)</p> <p> <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Family <input type="checkbox"/> Mixed (Elderly/Disabled) <input type="checkbox"/> Disabled </p>		
<p>2c. Date of Initial Occupancy</p> <p style="border: 1px solid black; padding: 2px;">02/01/2018</p>	<p>2d. Advertising Start Date</p> <p>Advertising must begin <i>at least</i> 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.</p> <p>Date advertising began or will begin 07/01/2017</p> <p>For existing projects, select below the reason advertising will be used:</p> <p style="border: 1px solid black; padding: 5px;"> To fill existing unit vacancies <input checked="" type="checkbox"/> To place applicants on a waiting list <input type="checkbox"/> (which currently has individuals) To reopen a closed waiting list <input type="checkbox"/> (which currently has individuals) </p>	

3a. Demographics of Project and Housing Market Area
Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

- White American Indian or Alaska Native Asian Black or African American
- Native Hawaiian or Other Pacific Islander Hispanic or Latino Persons with Disabilities
- Families with Children Other ethnic group, religion, etc. (specify)

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.
If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:
The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office Real Estate Office Model Unit Other (specify)

5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office Real Estate Office Model Unit Other (specify)

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office Real Estate Office Model Unit Entrance to Project Other (specify)

The size of the Project Site Sign will be x TBD Pending Install
The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

In accordance with HUD Handbook 4350.01 REV-1, the property leases to qualified households from the waiting list based on the goals of the AFHMP. The AFHMP is designed to help the community to reach out to those households who would not normally apply for residency at the community. In addition to households that would not normally apply, outreach to LEP persons has also been considered. Outreach and accommodation to LEP persons is done through various translated materials, referrals to community liaisons proficient in the language of LEP persons, and bilingual staff, if necessary. Management will monitor the number of persons who apply and are housed from groups designated in the AFHMP. A review of the success of the AFHMP will be conducted every two years. Based on the results of this review, we will consider changes to advertising and increase our direct contact with specific agencies and groups servicing these designated groups.

A successful outcome will be determined by who applies and who is housed by race/ethnicity, etc.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

Property Manager, Assistant Manager (if there is one present), and/or Leasing Agent.

7b. Staff Training and Assessment: AFHMP

(1) Has staff been trained on the AFHMP? Yes

(2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)? Yes

(3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

Fair Housing Solutions - annually

(4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act? Yes

(5) If yes, how and how often?

Annually, and as needed.

7c. Tenant Selection Training/Staff

(1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

Yes

(2) What staff positions are/will be responsible for tenant selection?

The Property Manager

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

Ongoing online training through Grace Hill Vision. Enclosed is Michael Clark's current Fair Housing Training Certification. Upon assumption of management, community manager will be enrolled in the online Fair Housing Training Course. In accordance with UAH Policy, she will have 30 days to successfully complete this course. All UAH employees are required to take and pass Fair Housing Training annually.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

UAH Property Management, LP currently provides management services to 24 HUD/HAP communities in six(6)states. We emphasize the creation, proper implementation and enforcement of the Affirmative Fair Housing Marketing Plans at each community. Our ethnically diverse Senior and Support Staff strive to ensure that these plans are updated as conditions warrant at each community.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Michael Clark

03/13/2017

Name (type or print)

Michael Clark

Title & Name of Company

President, UAH Property Management

For HUD-Office of Housing Use Only

Reviewing Official:

For HUD-Office of Fair Housing and Equal Opportunity Use Only

Approval

Disapproval

Signature & Date (mm/dd/yyyy)

Signature & Date (mm/dd/yyyy)

Name (type or print)

Name (type or print)

Title

Title

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described. **Please attach a copy of the advertising or marketing material.**

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least to likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
 (See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino	21.53		54.06		
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
% Persons with Disabilities	5.46		13.26		
% Families with Children under the age of 18	0		86.4		
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.
Disabled Persons	Alamo Area Agency on Aging, 8700 Tesoro Drive STE 160, San Antonio, TX, 78217. 210-362-5200. Lead Manager, Jason Wagner, 5 years. Quarterly or as needed starting 7/1/2017 - to help identify the targeted population looking for affordable housing. Making referrals.
Hispanic	Seguin-Guadalupe County Hispanic Chamber of Commerce, PO Box 1154, Seguin, TX 78155, 830-372-3151. President, Louis Ramirez, 7 years. Quarterly or as needed starting 7/1/2017 - to help identify the targeted population looking for affordable housing. Making referrals.
Disabled Persons	Guadalupe County United Way, PO Box 805, Seguin, TX 78156, 830-372-9009. Executive Director, Deborah Eckols, 6 years. Quarterly or as needed starting 7/1/2017 - to help identify the targeted population looking for affordable housing. Making referrals.
Hispanic	Community Council of South Central TX, 1410 E. Court Street, Seguin, TX 78155, 830-303-4376. Executive Director, Bobby Deike, 20+ years. Quarterly or as needed starting 7/1/2017 - to help identify the targeted population looking for affordable housing. Making referrals.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s) → Methods of Advertising ↓	Targeted Population: Disabled Persons	Targeted Population: Hispanic	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media	www.uahmgt.com	www.uahmgt.com	
website			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)	Sent out quarterly HC&EHO logo	Sent out quarterly HC&EHO logo	
Marketing Letters			

Affirmative Marketing Tool - Updated 02/22/2017

03/10/2017

Census Tract: 48187210708

County Guadalupe

MSA San Antonio-New Braunfels, TX

Results will not display for any populations representing less than 1% of the total population of the County or MSA. These populations will not be required in your affirmative marketing.

Census Tract vs. MSA

Least Likely to Apply	% Census Tract	% MSA	Tract for Outreach Consideration
Persons with Disabilities	5.46	13.26	48013960202
Hispanic	21.53	54.06	48029151200

Map Census Tracts

The report above shows the groups to whom you must affirmatively market based on a comparison of your census tract to the applicable County or MSA area as identified in the Rule. You must select these groups on the HUD 935.2A form as groups least likely to apply.

The census tracts provided for outreach consideration represent nearby neighborhoods identified in the U.S. Census as having the greatest number of the groups who are least likely to apply at your development based on its location. The identified neighborhoods may represent a first step for planning meaningful outreach and marketing for your development.

20% Threshold Calculations

Persons w/ disabilities

$$13.26 \times 20\% = 2.65$$

$$13.26 - 2.65 = 10.61$$

Hispanic

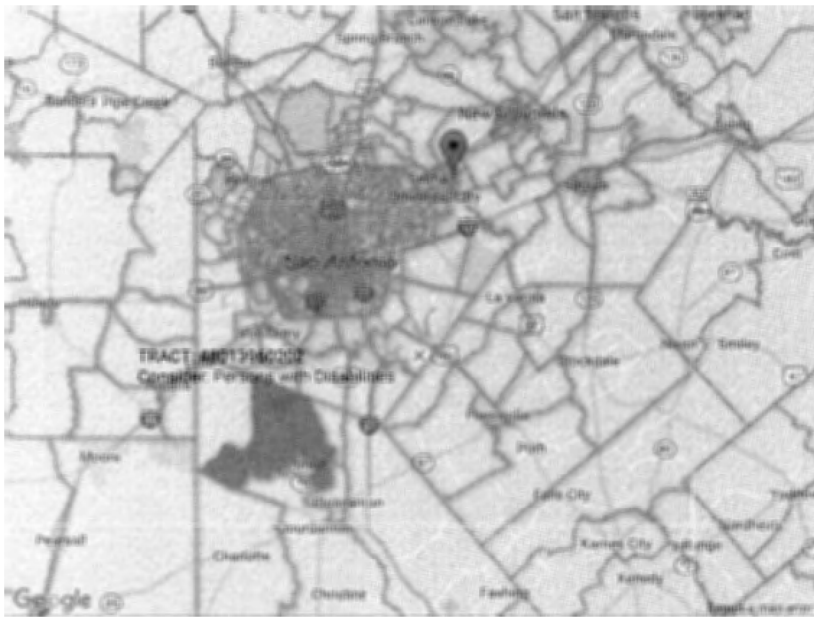
$$54.06 \times 20\% = 10.81$$

$$54.06 - 10.81 = 43.25$$

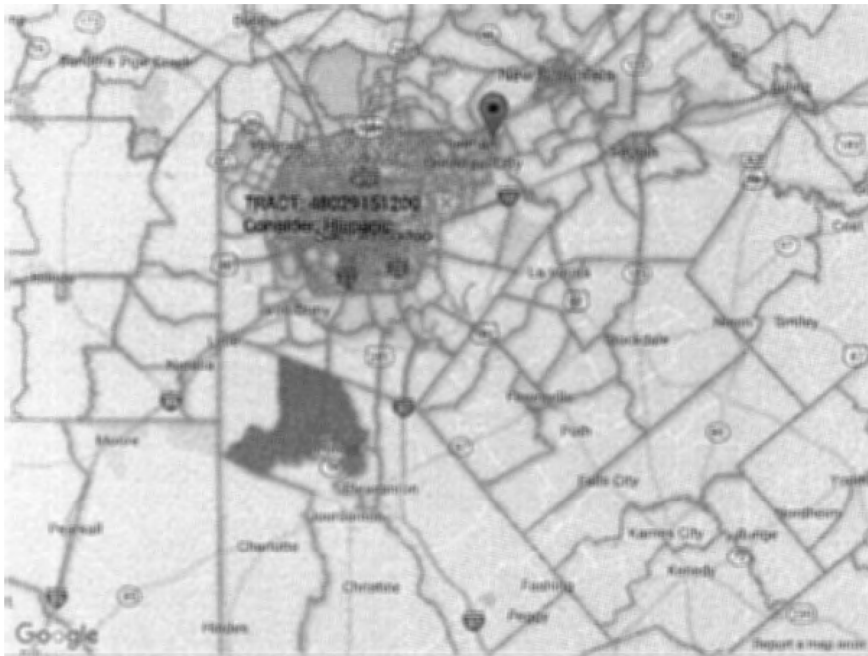
Families w/ children

$$86.4 \times 20\% = 17.28$$

$$86.4 - 17.28 = 69.12$$



MSA	County	Census Tract	Households with Disabilities	Percent
San Antonio-New Braunfels	Guadalupe County	48187210604	1261	14



MSA	County	Census Tract	Hispanic or Latino (of any race)	Hispanic - %
San Antonio-New Braunfels	Guadalupe County	48187210505	4178	84.4

Families w/ Children data

MF-1/11/2019_10:43am-bps

MSA	County	Census Tract	Families with Children	Families - %
San Antonio-New Braunfels	Guadalupe County	48187210708	1719	86.4

LED Data

WPA	County	Census Tract	Estimate: Spanish	Percent: Spanish	Estimate: Spanish - LEP	Percent: Spanish - LEP	Estimate: Other Non-Spanish Languages	Percent: O	Estimate: Asian and Pacific Islander Languages	Percent: A PI	Estimate: Asian and Pacific Islander Languages - LEP	Percent: A PI LEP
San Antonio-New Braunfels	Guadalupe County	48182210708	974	3.9	338	6.3	34	0.6	27	0.5	19	0.3

Required Third Party Reports

Be advised that all third party reports will be posted on the Department's website along with the Application.

Complete the information below as applicable [§10.205].

1. Environmental Site Assessment (ESA) (All Multifamily Applications)

Prepared by: ECS Texas, LLP Date of Report: _____

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>

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: Apartment Market Data Date of Report: _____

4. Property Condition Assessment (PCA)

Multifamily Finance Division staff will place scanned copies of deficiency documents behind this tab in the application .pdf

Multifamily Finance Division staff will place scanned
copies of scoring notices behind this tab in the
application .pdf

Multifamily Finance Division staff will place documents related to Requests for Administrative Deficiencies behind this tab in the application .pdf

Real Estate Analysis Division staff will place scanned
copies of RFI documents behind this tab in the
application .pdf

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