BOARD MEETING OF JULY 16, 2009

C. Kent Conine, Chair

Gloria Ray, Vice-Chair
Leslie Bingham Escareño, Member
Tomas Cardenas, Member
Tom Gann, Member
Juan Muñoz, Member

MISSION

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

TO HELP TEXANS ACHIEVE AN IMPROVED QUALITY OF LIFE THROUGH THE DEVELOPMENT OF BETTER COMMUNITIES

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

A G E N D A

8:00 am
July 16, 2009

Capitol Extension, E2.036
Austin, TX 78701

CALL TO ORDER, ROLL CALL — Kent Conine, Chairman
CERTIFICATION OF QUORUM

PUBLIC COMMENT`
The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

CONSENT AGENDA
Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

Item 1: Approval of the following items presented in the Board materials:

Executive Division: — Tim Irvine, Secretary to the Board

a) Presentation, Discussion, and Possible Approval of Board Meeting Minutes for May 21, 2009, June 25, 2009, and June 29, 2009

b) Designation of Tom Gann as a member of the Audit Committee

Housing Trust Fund: — Brooke Boston, DED Comm. Based Prgms

c) Presentation, Discussion, and Possible Approval of Housing Trust Fund Program Award Recommendations:

2009-0014	Webb County	VRA

Financial Administration: — David Cervantes, Dir. Financial Admin

d) Presentation and Discussion of the 3rd Quarter Investment Report

HOME Program — Jeannie Arellano, Dir. HOME

e) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:

Tenant-Based Rental Assistance Program – Persons With Disabilities

2008-0168	Spindletop MHMR	Beaumont
2009-0180	Coastal Bend Center for Independent Living	Corpus Christi

Owner Occupied Housing Assistance Program – Disaster Relief

2009-0018	Bastrop County	Bastrop
2008-0164	City of Lyford	Lyford

Rental Housing Development Program

09500	Brookhollow Manor	Brookshire
09501	Chisum Trail Apartments	Sanger

f) Presentation, Discussion, and Possible Approval of the 2009 HOME Single Family Housing Programs for Persons with Disabilities and Contract for Deed Conversion Program Notices of Funding Availability (NOFAs)

g) Presentation, Discussion, and Possible Approval of Revisions to the 2009 HOME Rental Housing Development (RHD) Program, 2009 Single Family (Owner-Occupied Housing Assistance, Tenant-Based Rental Assistance, and Homebuyer Assistance Programs), and 2009 Colonia Model Subdivision and Single Family Development Notices of Funding Availability (NOFAs)

h) Presentation, Discussion, and Possible Approval of Housing Trust Fund Owner-Occupied Housing Assistance Gap Financing Contracts for HOME Program Contracts:

1000602	Orange County	OCC-DR
1000603	Hardin County	OCC-DR

i) Presentation, Discussion, and Possible Approval of Requests for Amendments to HOME Program Contracts/Commitments from the following list:

1000956	Special Health Resources of Texas, Inc.	TBRA

Multifamily Division Items - Housing Tax Credit Program:

Robbye Meyer
Dir. Multifamily Finance

j) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions

05165	Lincoln Park Apartments	Houston
05447	Providence Place II Apartments	Denton
060405	Sea Breeze Seniors Apartments	Corpus Christi
060408	Amberwood	El Paso
060609	The Residences at Sunset Pointe	Ft. Worth
060014	Nacogdoches Senior Village	Nacogdoches
060071	Retama Village	McAllen
060072	Easterling Village	Alice
07090	Thomas Ninke Senior Village	Victoria
07149	Residences at Eastland	Ft. Worth
07198	West Durango Apartments	San Antonio
07203	The Melbourne Apartments	Alvin
03178	Jacinto Manor	Jacinto City
04296	Lake Jackson Manor	Lake Jackson

Multifamily Division Items–Private Activity Bond Program:

Robbye Meyer
Dir. Multifamily Finance

k) Presentation, Discussion, and Possible Approval of Trustees for the Multifamily Mortgage Revenue Bond Transactions

l) Presentation, Discussion, and Possible Approval of Senior Managing, Co-Senior Managing, Co-Managing and/or Remarketing Agent Investment Banking Firms for Multifamily Mortgage Revenue Bond Transactions

m) Presentation, Discussion, and Possible Action on a Memorandum of Understanding (MOU) between the Texas Bond Review Board and the Texas Department of Housing and Community Affairs ("the Department") for the Issuance of 501(c)(3) bonds

Community Affairs:

Brooke Boston
DED Comm. Based Prgms

n) Presentation, Discussion, and Possible Approval of Section 8 5-Year and 2010 Annual Public Housing Agency (PHA) Plan

Bond Finance:

Matt Pogor
Dir. Bond Finance

o) Presentation, Discussion, and Possible Approval of a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010

p) Presentation, Discussion, and Possible Approval of Resolution 09-045 authorizing the issuance of Residential Mortgage Revenue Bonds, 2009 Series A, and Residential Mortgage Revenue Refunding Bonds, 2009 Series B (Program 74)

ACTION ITEMS

Item 2: Audit Committee:

Gloria Ray
Chair, Audit Committee

a) Report of the Audit Committee

Item 3: Rules:

a) Presentation, Discussion, and Possible Approval to publish a draft of proposed rules for Disaster Recovery programs, 10 TAC §§54.1-54.2, for comment in the *Texas Register* — Sara Newsom, DED – Disaster Recovery and Emrgy. Housing

b) Presentation, Discussion and Possible Approval to publish the proposed repeal of Title 10, Texas Administrative Code, Part 1, Chapter 2, Texas Bootstrap Loan Program, and to publish proposed new Title 10, Texas Administrative Code, Part 1, Chapter 2, Texas Bootstrap Loan Program for public comment in the *Texas Register* — Homero Cabello, Dir. OCI

Item 4: Executive:

a) Presentation and Discussion of a monthly status report on the implementation of the American Recovery and Reinvestment Act of 2009 — Brooke Boston, DED Community Based

b) Presentation, Discussion, and Possible Action to adopt Governing Board Policy regarding the Low Income Housing Tax Credit exchange pursuant to Section 1602 of the American Recovery and Reinvestment Act of 2009 — Tom Gouris, DED Housing Programs

c) Presentation, Discussion and Possible Approval of one or more amendments to the Tax Credit Assistance Program Plan, including possible extension of the application deadline — Tom Gouris, DED Housing Programs

Item 5: Disaster Recovery: — Sara Newsom, DED – Disaster Recovery and Emrgy. Housing

a) Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

b) Report and Discussion on the Hurricane Ike and Dolly Action Plan

c) Presentation, Discussion, and Possible Approval to report on homes considered and reviewed by the Executive Director for services for local code requirements that exceed the established cap of $10,000

d) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations

Hurricane Ike Housing Assistance Programs

09-0002	East Texas Council of Governments
09-0003	Harris County
09-0004	South East Texas Regional Planning Commission
09-0005	Montgomery County
09-0008	City of Galveston
09-0014	Galveston County

e) Presentation, Discussion, and Possible Approval to program remaining funds dedicated to Sabine Pass in the State of Texas Action Plan

f) Presentation, Discussion, and Possible Approval of a board policy on specific homes that exceed the cap established to address accessibility requirements outside of structure costs for development of homes in Hurricane Rita Round 2

g) Presentation, Discussion, and Possible Approval to increase the insurance cap for wind storm coverage and flood insurance under Hurricane Rita Round 2 awards

h) Presentation, Discussion, and Possible Approval of Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Rita Round 1 Funding

7060003	South East Texas Regional Planning Commission

Item 6: Neighborhood Stabilization Program Division: — Robb Stevenson, Mgr. NSP

a) Presentation, Discussion, and Possible Action for Appeals

20090078	City of Nacogdoches	Nacogdoches
20090010	City of Galveston	Galveston

Appeals Timely Filed

b) Presentation, Discussion, and Possible Approval of Texas Neighborhood Stabilization Program Award Recommendations from the List of the Following Applications

20090001	Texas State Affordable Housing Corporation	Multiple
20090015	City of Elgin	Bastrop
20090079	Fort Hood Area Habitat for Humanity	Bell
20090025	San Antonio Alternative Housing Corporation	Bexar
20090052	Housing and Community Services, Inc.	Bexar
20090011	Cevallos Lofts, Ltd., NRP Holdings LLC	Bexar
20090013	Housing Authority of the City of San Benito	Cameron
20090005	Brownsville Housing Authority	Cameron
20090023	City of Harlingen	Cameron
20090050	Community Development Corporation of Brownsville	Cameron
20090020	City of Bryan	Brazos
20090056	Inclusive Communities Project	Collin
20090066	Plano Housing Corporation	Collin
20090080	Texoma Housing Finance Corporation	Cooke
20090002	Fort Hood Area Habitat for Humanity	Coryell
20090006	City of Irving	Dallas
20090019	Central Dallas Community Development Corporation	Dallas
20090053	Builders of Hope CDC	Dallas
20090055	City of Garland	Dallas
20090064	Frazier Revitalization Incorporated	Dallas
20090092	North Central Texas Housing Finance Corporation	Dallas
20090068	Friendship-West Promised Land Investment Corp.	Dallas
20090083	Inclusive Communities Project	Denton
20090027	Plano Community Home Sponsor, Inc.	Denton
20090058	City of Odessa	Ector
20090012	City of El Paso	El Paso
20090073	North Central Texas Housing Finance Corporation	Ellis
20090081	Texoma Housing Finance Corporation	Fannin
20090010	City of Galveston	Galveston
20090071	Nautical Affordable Housing, Inc.	Galveston
20090024	City of Waelder	Gonzales
20090022	Texoma Housing Finance Corporation	Grayson
20090021	City of Seguin	Guadalupe
20090017	City of Houston	Harris
20090062	Harris County	Harris
20090076	Fifth Ward Community Redevelopment Corporation	Harris
20090077	Baytown Properties Mgmt. & Development Corp.	Harris
20090041	City of San Marcos	Hays
20090008	Affordable Homes of South Texas, Inc.	Hidalgo
20090069	Housing Authority of the County of Hidalgo	Hidalgo
20090043	Northwest Central Texas Housing Finance Corp.	Hood
20090009	City of Big Spring	Howard
20090088	North Central Texas Housing Finance Corporation	Hunt
20090054	City of Port Arthur	Jefferson
20090063	City of Beaumont	Jefferson
20090084	Northwest Central Texas Housing Finance Corp.	Johnson
20090040	City of Terrell	Kaufman
20090089	North Central Texas Housing Finance Corporation	Kaufman
20090060	City of Lubbock	Lubbock
20090030	FUTURO Communities, Inc.	Maverick
20090029	Neighborhood Housing Services of Waco, Inc.	McLennan
20090074	Grand Central Texas Development Corporation	McLennan
20090070	Midland County Housing Authority	Midland
20090078	City of Nacogdoches	Nacogdoches
20090090	North Central Texas Housing Finance Corporation	Navarro
20090003	Nautical Affordable Housing, Inc.	Orange
20090085	Northwest Central Texas Housing Finance Corp.	Parker
20090059	City of Amarillo	Potter
20090091	North Central Texas Housing Finance Corporation	Rockwall
20090004	Tarrant County Housing Partnerships, Inc.	Tarrant
20090065	Housing Authority of the City of Fort Worth	Tarrant

20090082	Habitat for Humanity, Abilene, Inc.	Taylor
20090072	Abilene Neighborhoods In Progress	Taylor
20090028	City of San Angelo	Tom Green
20090046	City of Austin	Travis
20090057	Travis County Housing Finance Corporation	Travis
20090026	City of Huntsville	Walker
20090007	City of Laredo	Webb
20090014	City of Taylor	Williamson
20090086	Northwest Central Texas Housing Finance Corp.	Wise

c) Presentation, Discussion, and Permission to submit an Amendment to the Action Plan for the Texas Neighborhood Stabilization Program to the US Department of Housing and Urban Development if an Amendment is necessary to make the Action Plan consistent with the action taken by the Board in the award of Texas NSP contracts today

d) Presentation, Discussion, and Permission to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding, derived from the American Recovery and Reinvestment Act of 2009

Item 7: Multifamily Division Items - Housing Tax Credit Program:

Robbye Meyer
Dir. Multifamily Finance

a) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments

95005	Brandywood Apartments	Pasadena
05629	Village Park Apartments	Houston

b) Presentation, Discussion, and Possible Action on Housing Tax Credit Appeals:

09316	Champion Homes at Bay Walk	Galveston
09317	Champion Homes at Marina Landing	Galveston
09201	Ventana Pointe	Houston
09314	Taylor Farms	Dallas
09107	Mexia Gardens	Mexia
09128	Willow Meadow Place	Houston
09308	Village of Kaufman	Kaufman
09319	Casa Messina	Edcouch
09233	Casa Alton	Alton
09274	Windfern Apartments	Houston
09288	Chaminade Apartments	San Antonio
09236	Woodland Park I	Greenville
09238	Woodland Park II	Greenville
09112	Point Royale	Victoria
09159	Malibu Apartments	Austin

Appeals Timely Filed

Item 8: Real Estate Analysis Division:

Brent Stewart
Dir. REA

a) Presentation, Discussion, and Possible Action for 2009 Competitive Housing Tax Credit Appeals of Underwriting

Underwriting Appeals Timely Filed

Item 9: HOME Program

Jeannie Arellano
Dir. HOME

a) Presentation, Discussion, and Possible Action for Appeals:

Appeals Filed Timely

EXECUTIVE SESSION

Kent Conine, Chairman

a) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.

b) Consultation with Attorney Pursuant to §551.071, Texas Government Code:

c) With Respect to pending litigation styled *The Inclusive Communities Project, Inc.* v. *Texas Department of Housing and Community Affairs, et al* filed in federal district court

1. With Respect to pending litigation styled M.G. Valdez Ltd. v. Texas Department of Housing
2. With Respect to EEOC Claim from Don Duru
3. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting
4. Potential sale of agency owned real estate and/or sales of loans

OPEN SESSION

Action in Open Session on Items Discussed in Executive Session

REPORT ITEMS — Kent Conine, Chairman

1. TDHCA Outreach Activities, June 2009
2. Presentation of the current HOME Fund Balance Report
3. Presentation and Discussion of Challenges Made in Accordance with §49.(17)(c) of the 2009 Qualified Allocation Plan and Rules (QAP) Concerning 2009 Housing Tax Credit (HTC) Applications

ADJOURN

To access this agenda & details on each agenda item in the board book, please visit our website at www.tdhca.state.tx.us or contact Nidia Hiroms, 512-475-3934; TDHCA, 221 East 11th Street, Austin, Texas 78701, and request the information. Individuals who require auxiliary aids, services or sign language interpreters for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made. Non-English speaking individuals who require interpreters for this meeting should contact Nidia Hiroms, 512-475-3934 at least three days before the meeting so that appropriate arrangements can be made.

Personas que hablan español y requieren un intérprete, favor de llamar a Jorge Reyes al siguiente número (512) 475-4577 por lo menos tres días antes de la junta para hacer los preparativos apropiados.

BOARD SECRETARY

BOARD ACTION REQUEST

JULY 16, 2009

Action Items

Presentation, Discussion, and Possible Approval of Board Meeting Minutes for May 21, 2009, June 25, 2009 and June 29, 2009.

Required Action

Review minutes for May 21, 2009, June 25, 2009 and June 29, 2009 Board Meetings.

Background

The Board is required to keep minutes of each of their meetings.

Recommendation

Staff recommends approval of minutes, with any requested corrections.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

May 21, 2009; 9:30 a.m.

D.C. Greer Building; Ric Williamson Hearing Room
125 E. 11th Street, Austin, Texas 78701

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of May 21, 2009 was called to order by Chair, Kent Conine, at 9:40 a.m. It was held at the D.C. Greer Building; Ric Williamson Hearing Room, 125 E. 11th Street, Austin, Texas 78701. Roll call certified a quorum was present.

Members Present:
Kent Conine, Chair
Gloria Ray, Vice Chair
Leslie Bingham-Escareño, Member
Tom H. Gann, Member

Members Absent:
Tom Cardenas, Member
Juan Muñoz, Member

Resolution recognizing June as Homeownership Month, Resolution No. 09-041

Presentation to first time homebuyers, Russell Forrester and Tim & Emily Martinez.
Motion by Ms. Ray to approve resolution no. 09-041; seconded by Mr. Gann; passed unanimously.

Recognition of Section 8 program, the Housing Choice Voucher Program.

Section 8 staff, represented by their Manager, Willie Faye Hurd, were recognized for the "high performer rating designation" from the U.S. Department of Housing and Urban Development.

PUBLIC COMMENT. The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each Agenda Item after the presentation made by the department staff and motions made by the Board.

Steve McHale, President of Village of Oak Lake, provided testimony in opposition to project 09-166.
Wayne Chandler, President of Fort Bend County MUD #41, provided testimony in opposition to project 09-166.
Juan Villarreal, provided testimony in opposition to project 09-166.
Matt Malcolm, Resnick Group, Austin, provided testimony.
Walter Moreau, the Director of Foundation Communities, provided testimony regarding 09-130, the M Station Apartments.
Sunshine Mathon, design and development director, Foundation Communities, provided testimony regarding 09-130, the M Station Apartments.
John-Michael Cortez, provided testimony in favor of 09-130, the M Station Apts.
David Marquez, provided testimony requesting an extension for 08-0145, Oasis at the Park.
Steve Moore, owner of Premiere Apartments in Housing, provided testimony asking the board to consider points for efforts to lower crime in tax credit properties.
Ann Denton, provided testimony in opposition to the waiver request for the Willow Oak Assisted Living Bond transaction.
David Wittie, Adaptive Texas, provided testimony in opposition to the waiver request for the Willow Oak Assisted Living Bond transaction.
Jennifer McPhail, Adaptive Texas, provided testimony in opposition to the waiver request for the Willow Oak Assisted Living Bond transaction.
Chan Pak, developer of Villas on Raiford, Carrollton Senior Housing LP, provided testimony.

CONSENT AGENDA. Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this Agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion, or approval at this meeting. Under no circumstances does the Consent Agenda alter any requirements provided under the Texas Open Meetings Act, Chapter 551 of the Texas Government Code.

AGENDA ITEM 1. Approval of the following items presented in the Board materials:

Executive Division:

a) Presentation, Discussion, and Possible Approval of Board Meeting Minutes for April 23, 2009

Community Affairs:

b) Presentation, Discussion, and Possible Approval of the 2010 Low Income Home Energy Assistance Program State Plan

c) Presentation, Discussion, and Possible Approval of the 2009 Emergency Shelter Grants Program Award Recommendations

Rules:

d) Presentation, Discussion, and Possible Approval to publish the proposed repeal of 10 TAC Chapter 3, Colonia Self-Help Center, and a draft of proposed new 10 TAC Chapter 3, Colonia Self-Help Center for public comment in the *Texas Register*

e) Presentation, Discussion, and Possible Approval to publish the proposed amendments of 10 TAC Chapter 5, Community Affairs Programs for public comment in the *Texas Register*

Texas Homeownership:

f) Presentation, Discussion, and Possible Approval of a Request for Proposal for Master Servicer for the Single Family Mortgage Revenue Bond Programs

HOME and Housing Trust Fund:

g) Presentation, Discussion, and Possible Approval of Requests for Amendments to HOME Program Contracts/Commitments from the following list:
1001106 Costa Mariposa RHD

Multifamily Division Items - Housing Tax Credit Program:

h) Presentation, Discussion, and Possible Approval of Housing Tax Credit Extensions:
07094 Mesquite Terrace Pharr

Motion by Ms. Bingham-Escareño to approve Consent Agenda items a) – h); seconded by Mr. Gann; passed unanimously.

ACTION ITEMS

AGENDA ITEM 2. Executive:

a) Presentation and Discussion on a monthly Status Report on the implementation of the American Recovery and Reinvestment Act of 2009.
Ann Lott, coordinator for housing initiatives for the Inclusive Community Project, provided testimony.
R.J. Collins, provided testimony.
No action taken.

b) Power Point Presentation, Discussion, and Possible Action to adopt Plan submission to HUD regarding the Tax Credit Assistance Program (TCAP)
Debra Guerrero, NRP Group, provided testimony.
Bobby Boling, Tropicana Building Corporation, provided testimony.
Patrick Barbolla, provided testimony.
Tamea Dula, attorney with Coates, Reyes, Houston office, provided testimony.
Granger McDonald, provided testimony.
Jeff Crozier, Executive Director, Rural Rental Housing Association, provided testimony.
Mike Sugrue, President of TAAP, provided testimony.
Toby Williams, Mark Dana Corporation, provided testimony.
Sarah Andre, consultant, provided testimony.
Dan Algeier, New Rock Companies, provided testimony.

EXECUTIVE SESSION:

At 11:55 a.m., Mr. Conine convened the Executive Session.

a) The Board may go into Executive Session (close its meeting to the public) on any agenda item if appropriate and authorized by the Open Meetings Act, Texas Government Code, Chapter 551 Program Contracts/Commitments from the following list:

b) The Board may go into Executive Session Pursuant to Texas Government Code §551.074 for the purposes of discussing personnel matters including to deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.

c) Consultation with Attorney Pursuant to §551.071(a), Texas Government Code:

1. With Respect to pending litigation styled *Rick Sims v. Texas Department of Housing and Community Affairs* filed in federal district court (new filing of previously dismissed suit)
2. With Respect to pending litigation styled *The Inclusive Communities Project, Inc.* v. *Texas Department of Housing and Community Affairs, et al* filed in federal district court
3. With Respect to pending litigation styled M.G. Valdez Ltd. v. *Texas Department of Housing and Community Affairs* filed in District Court, Hidalgo County
4. With Respect to EEOC Claim from Don Duru
5. With Respect to Any Other Pending Litigation Filed Since the Last Board Meeting
6. Potential sale of agency owned real estate and/or sales of loans

OPEN SESSION:

At 12:58 p.m., Mr. Conine reconvened the Open Session and announced that no action had been taken during the Executive Session and certified that the posted agenda had been followed.

AGENDA ITEM 2. Executive, continued:

c) Presentation, Discussion, and Possible Action to adopt Governing Board Policy regarding the TCAP Application and Award Process

d) Presentation, Discussion, and Possible Action to approve guidelines for the implementation of the TCAP Policy
Motion by Ms. Bingham-Escareño to approve the TCAP Policy as presented with the clarification that the regional allocation formula will apply with the set asides to be established in a policy supplement; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 3. Disaster Recovery:

a) Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA
Don Atwell, ACS, provided testimony.
No action taken.

b) Report and Discussion on the Hurricane Ike and Dolly Action Plan
No action taken.

c) Presentation and Possible Discussion Regarding a request for proposal for Temporary Housing for Rapid Deployment in Response to Disasters Contingency Contract
No action taken.

d) Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations
Hurricane Ike Housing Assistance Programs
09-0001 City of Houston Houston
Donald Sampley, assistant director of housing and community development for the city of Houston, provided testimony.
Motion by Mr. Gann to approve staff recommendation; seconded by Ms. Ray; passed unanimously.
Hurricane Dolly Housing Assistance Programs
None filed as of Board Book Posting

e) Presentation, Discussion, and Possible Approval of policy on homes exceeding the established rehabilitation cap due to historic designation concerns
Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

f) Presentation, Discussion, and Possible Approval of a board policy on specific homes that exceed the cap established to address local code requirements outside of structure costs for development of homes in Hurricane Rita Round 2
Motion by Ms. Ray to approve recommendation #3, on a case-by-case basis, with a report to the Board; seconded by Ms. Bingham-Escareño; passed unanimously.

g) Presentation, Discussion, and Possible Approval of a policy regarding how to proceed when the inability to obtain a hold harmless consent to build form from an existing lien holder is an impediment to providing homes to Hurricane Rita applicants in Round 2
Motion by Ms. Ray to accept the recommendation that TDHCA forgo obtaining releases and accept the risk if the hold harmless agreement cannot be obtained within 60 days; seconded by Mr. Conine; passed unanimously.

h) Presentation, Discussion, and Possible Approval to expend remaining funds dedicated to Sabine Pass in the State of Texas Action Plan
Motion by Ms. Ray to table until June meeting; seconded by Mr. Gann; passed unanimously.

i) Presentation, Discussion, and Possible Action regarding a Notice of Funds Availability for a $58 million affordable rental housing set-aside under CDBG disaster funding related to Hurricanes Ike and Dolly
Robert Onion, Odyssey Residential, provided testimony.
Motion by Ms. Bingham-Escareño to approve NOFA as amended; seconded by Ms. Ray; passed unanimously.

AGENDA ITEM 4. HOME and Housing Trust Fund Programs Division:

a) Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations:
Owner Occupied Housing Assistance Program

2008-0159	City of Charlotte	Charlotte

Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.
Tenant-Based Rental Assistance Program – Persons With Disabilities

2008-0163	San Antonio Metropolitan Ministries, Inc.	San Antonio
2008-0165	Community Partnership for the Homeless	Austin

Motion by Mr. Gann to approve staff recommendation; seconded by Ms. Ray; passed unanimously.

b) Presentation, Discussion, and Possible Approval of Housing Trust Fund Program Award Recommendations:
2009 HTF Veterans Housing Support Program

2009-0012	Community Partnership for the Homeless	Austin

Motion by Ms. Bingham-Escareño; to approve staff recommendation; seconded by Mr. Gann; passed unanimously.
2009 HTF Rental Production Program

08335	Meadow Park Village	Lockhart

Ray Lucas, Housing and Community Services, provided testimony.
Motion by Ms. Bingham-Escareño to approve staff's recommendation; seconded by Ms. Ray; passed unanimously.

08343	The Willows Apartments	Smithville

Motion by Ms. Ray to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.

The Board took short recess.

c) Presentation, Discussion, and Possible Approval of the 2009 HOME Rental Housing Development (RHD), 2009 HOME Single Family, and 2009 Colonia Model Subdivision and Single Family Development Notices of Funding Availability (NOFAs)
Motion by Ms. Ray to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

AGENDA ITEM 5. Bond Finance:

a) Presentation, discussion and approval of Resolution No. 09-040 authorizing the Department to enter into substitute liquidity facilities provided by the Comptroller of Public Accounts of the State of Texas for the 2004 Series A Jr. Lien, 2004 Series B, 2004 Series D, 2005 Series A and 2005 Series C Single Family Variable Rate Mortgage Revenue Bonds and approving amendments to their Supplemental Indentures, approving reoffering documents, canceling bond and swap insurance and amendments to swap agreements where applicable along with a change in remarketing agent for the 2005 Series C Single Family Variable Rate Taxable Mortgage Revenue Bonds
Motion by Ms. Bingham-Escareño; to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

b) Presentation, discussion and approval of statewide monetization of the First-Time Homebuyer Tax Credit under the American Recovery and Reinvestment Act of 2009 authorizing the Department to utilize a portion of the Supplemental Bond Contingency Reserve Fund to provide statewide down payment assistance to eligible first-time homebuyers
Motion by Mr. Gann; to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.

AGENDA ITEM 6. Multifamily Division Items - Housing Tax Credit Program:

a) Presentation, Discussion, and Possible Approval of Housing Tax Credit Amendments
04463 Lakeside Manor Senior Community Little Elm
George Kay, provided testimony.
Richard Shaw, Outreach Housing, provided testimony.
Motion by Ms. Bingham-Escareño; to approve staff recommendation with one penalty point; seconded by Mr. Gann; passed unanimously.
08195 Chateau Village Apartments Houston
Motion by Ms. Bingham-Escareño; to approve staff recommendation; seconded by Mr. Gann; passed unanimously.

b) Presentation, Discussion, and Possible Action on Housing Tax Credit Appeals:
Appeals Timely Filed
None filed.

c) Presentation, Discussion, and Possible Action regarding 2008 Forward Commitments for tax credits
Ike Monty, provided testimony.
Scott Marks, Coates, Rose Law Firm, provided testimony.
Noor Jooma, provided testimony.
Motion by Ms. Ray to extend May 15 date to September the 30th; seconded by Ms. Bingham-Escareño; passed unanimously.

AGENDA ITEM 7. Multifamily Division Items–Private Activity Bond Program:

a) Presentation, Discussion, and Possible Approval of the First Supplement to the Trust Indenture for Center Ridge Apartments, Series 2006 Resolution #09-041
Motion by Mr. Gann to approve staff recommendation; seconded by Ms. Bingham-Escareño; passed unanimously.

b) Presentation, Discussion, and Possible Action for a waiver of the Integrated Housing Rule §1.15 for the Willow Oak Assisted Living Bond transaction
Vaughan Mitchell, developer, provided testimony.
No action taken.

The Board took short recess.

AGENDA ITEM 8. Real Estate Analysis:

a) Presentation, Discussion, and Possible Action for 2008 Competitive Housing Tax Credit Appeals of Underwriting
08145 Oasis at the Park

Motion by Mr. Gann to deny appeal; seconded by Ms. Bingham-Escareño; passed unanimously.
Underwriting Appeals Timely Filed
None filed.

REPORT ITEMS:

1. TDHCA Outreach Activities, April 2009

ADJOURN:

Since there was no other business to come before the Board, the meeting was adjourned at 3:20 p.m. on May 21, 2009.

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Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript for this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

June 25, 2009; 10:00 am

Travis Building
1701 Congress Avenue, Room 1-100, Austin, TX 78701

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of June 25, 2009 was called to order by Chair, Kent Conine, at 10:10 a.m. It was held at the Travis Building, 1701 Congress Ave., Room 1-100, Austin, TX 78701. Roll call confirmed that there was not a quorum present. Therefore, the Board could not conduct business. However, because numerous members of the public had come to the meeting, they were permitted to make comment to those present.

MEMBERS PRESENT:
Kent Conine, Chair
Juan Muñoz, Member
Leslie Bingham-Escareño, Member

MEMBERS ABSENT:
Gloria Ray, Vice Chair
Tom H. Gann, Member
Tomas Cardenas, Member

Mr. Conine publicly thanked Dionicio "Sonny" Flores for his service on the Governing Board of the Texas Department of Housing and Community Affairs.

Mr. Gerber recognized Amy Oehler, former Director of Community Services, and thanked her for all of her contributions to the Department and wished her well as she moves to Houston.

The following additional public comment was presented:

Ginger McGuire, Lancaster Pollard Mortgage Company, provided comments concerning the Exchange Program.
Emmanuel Glokzin, Jr. provided comments regarding Lexington Court Phase II, Ltd.
The Honorable Representative José Menéndez, provided comments concerning the TCAP and Exchange programs.
Dianna Lewis, Corporation for Supportive Housing, provided comments regarding supportive housing.
Louis Williams, provided comments concerning the Exchange Program.
Deborah Sherrill, Corpus Christi Housing Authority, provided comments in favor of #09211 Cordan Townhomes.
Tim Lang, developer, provided comments in favor of 09101 Hampton Villages.
Don Dobesh, Vice President, Village of Oak Lake Homeowners Association, provided comments in opposition to 09166 Goldshire Townhomes.
Dr. Jeffrey Ricken, resident of Orchard Lake Estates, provided comments in opposition to 09166 Goldshire Townhomes.
Robert Ruzicka, resident of Summerfield subdivision in Sugarland, provided comments in opposition to 09166 Goldshire Townhomes.
Don Atwell, ACS, provided report on Disaster Recovery efforts.
M. Dale Dodson, DAL-FOR Companies, provided comments on 09128 Willow Meadow Place.
Barry Palmer, Coates Rose law firm, provided comments on 09128 Willow Meadow Place.
Richard Brown, provided comments on 09107 Mexia Gardens.
Owen Metz, Dominion Development and Acquisition, provided comments in opposition to 09308 Village of Kaufman.
Jeff Crozier, provided comments on the Exchange Program.
Terri Anderson, provided comments on the Exchange Program.
Dennis Hoover, provided comments on the Exchange Program and USDA portfolio for rehabilitation.
Granger MacDonald, provided comments on the Exchange Program.

Michael Hartman, provided comments on the Exchange Program.
Mike Sugrue, provided comments on the Exchange Program..
Brad Forslund, provided comments on the Exchange Program.
Tamea Dula, Coats/Rose, provided comments on the Exchange Program.
Diana McIver, DMA Development Co., LLC, provided comments on the Exchange Program.
Judy Telge, Executive Director, Coastal Bend Center for Independent Living in Corpus Christi, provided comments in favor of 2008-0180 TBRA HOME Award.

ADJOURN:

The meeting ended at 12:30 p.m. on June 25, 2009.

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Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript of this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
BOARD MEETING

June 29, 2009; 3:00 pm

Dallas Love Field Airport
Dallas Love Field Multipurpose Conference Center
8008 Cedar Springs Road LB16; Dallas, TX 75235

SUMMARY OF MINUTES

CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM

The Board Meeting of the Texas Department of Housing and Community Affairs of June 29, 2009 was called to order by Chair, Kent Conine, at 3:00 p.m. It was held at the Dallas Love Field Airport, Dallas Love Field Multipurpose Conference Center, 8008 Cedar Springs Road LB16, Dallas, TX. Roll call certified a quorum was present.

MEMBERS PRESENT:
Kent Conine, Chair
Juan Muñoz, Member
Leslie Bingham-Escareño, Member
Gloria Ray, Vice Chair

MEMBERS ABSENT:
Tom H. Gann, Member
Tomas Cardenas, Member

PUBLIC COMMENT

The Board will solicit Public Comment at the beginning of the meeting and will also provide for Public Comment on each agenda item after the presentation made by the department staff and motions made by the Board.

Sylvia Stastny, with the office of the Honorable Senator Florence Shapiro, read letter from Senator Shapiro for the record in favor of Evergreen at Wylie.

Alva Baker, president, South Boulevard Park Row Historic District Neighborhood Association provided testimony in opposition to 09168 Lifenet Lofts.

Ida May Wells, provided testimony in opposition to 09168 Lifenet Lofts.

Joy Strickland, provided testimony in opposition to 09168 Lifenet Lofts.

Hunter Botts, National Equity Fund, provided testimony on the TCAP and Exchange programs.

CONSENT AGENDA

Items on the Consent Agenda may be removed at the request of any Board member and considered at another appropriate time on this agenda. Placement on the Consent Agenda does not limit the possibility of any presentation, discussion or approval at this meeting. Under no circumstances does the consent agenda alter any requirements provided under Texas Government Code Chapter 551, the Texas Open Meetings Act.

Approval of the following items presented in the Board materials:

AGENDA ITEM 1: Legal:

a) Presentation, Discussion and Possible Approval for publication in the *Texas Register* of Request for Proposals (RFP) for Bond Counsel
b) Presentation, Discussion and Possible Approval for publication in the *Texas Register* of Request for Proposals (RFP) Tax Credit Counsel

AGENDA ITEM 2: Community Affairs:

a) Presentation, Review and Possible Approval of the Draft 2010-2011 Community Services Block Grant State Plan

for Publication in the *Texas Register*

AGENDA ITEM 3: Bond Finance:

a) Presentation, Discussion and Approval of Resolution 09-045 authorizing the issuance of Residential Mortgage Revenue Bonds, 2009 Series A, and Residential Mortgage Revenue Refunding Bonds, 2009 Series B (Program 74)

AGENDA ITEM 4: Multifamily Division Items - Housing Tax Credit Program:

a) Presentation, Discussion, and Possible Approval to Issue a list of Approved Applications (as of June 18) for Housing Tax Credits ("HTC") in accordance with §2306.6724(e) of Texas Government Code

09000	Courtwood Apartments	Eagle Lake
09001	Hillwood Apartments	Weimar
09100	Crestmoor Park South Apartments	Burleson
09101	Hampton Villages	Pampa
09102	Magnolia Trails	Magnolia
09103	Trebah Village	Katy
09104	Stone Hearst Seniors	Beaumont
09105	Villages at Snyder	Snyder
09107	Mexia Gardens	Mexia
09108	Peachtree Seniors	Balch Springs
09110	Mustang Heights Apartments	Sweetwater
09112	Point Royale Apartments	Victoria
09113	Estacado Place Apartment	Lubbock
09115	Magnolia Trace	Dallas
09116	Tuscany Villas	Plano
09118	Fairways at Sammons Park	Temple
09119	Legacy Villas	Eagle Pass
09120	Senior Villages of Huntsville	Huntsville
09121	Red Oak Seniors	Waco
09126	Holland House Apartments	Holland
09127	Sage Brush Village	Odessa
09128	Willow Meadow Place	Houston
09129	Napa Villas	Plano
09130	M Station	Austin
09131	Presidio Palms	San Elizario
09132	Chelsea Senior Community	Houston
09135	Lincoln Terrace	Fort Worth
09136	Gateway to Eden	Eden
09138	Belmont Senior Village	Leander
09140	Village of Salado	Cedar Hill
09142	Floral Gardens	Houston
09146	Oakwood Apartments	Brownwood
09147	Village Place Apartments	Lorena
09148	Whispering Oaks Apartments	Goldthwaite
09149	Autumn Villas	Lorena
09150	Prairie Village Apartments	Rogers
09156	Park Lane Apartments	Houston
09158	Arrowsmith Apartments	Corpus Christi
09159	Malibu Apartments	Austin
09160	Stone Court Senior Residences	Houston
09161	Sterling Court Senior Residences	Houston
09162	Arbor Pines Apartment Homes	Orange
09163	Tremont Apartment Homes	Killeen
09164	Gholson Hotel	Ranger
09165	Cherrywood Apartments	West
09166	Goldshire Townhomes	Sugar Land
09167	Fondren Ranch	Houston
09168	LifeNet Lofts	Dallas
09169	Orem Ranch	Houston
09170	South Acres Ranch II	Houston
09171	Evergreen at Wylie	Wylie
09172	Evergreen at Vista Ridge	Lewisville
09173	Evergreen at Sunnyvale	Sunnyvale
09175	Abilene Senior Village	Abilene
09177	Orchard at Oak Forest	Houston

09179	Emory Senior Living Apartments	Lubbock
09180	Weslaco Hills Apartments	Weslaco
09181	Bowie Garden Apartments	Brownsville
09183	Grace Lake Townhomes	Beaumont
09184	Oakmont Apartments	Orange
09185	Maplewood Village II	League City
09187	Pleasanton Farms	San Antonio
09188	Casa Brazoria	Clute
09189	Crestshire Village	Dallas
09190	San Juan Square III	San Antonio
09191	Sendero Pointe	Houston
09192	Tierra Pointe	Karnes City
09193	Sierra Meadows	Houston
09196	Golden Bamboo Village II	Houston
09198	Montabella Pointe	San Antonio
09200	Mariposa Pointe	Hutchins
09201	Ventana Pointe	Houston
09202	Tesoro Hills	San Antonio
09211	Corban Townhomes	Corpus Christi
09223	Kleberg Commons	Dallas
09225	Hacienda Del Sol	Dallas
09228	Lufkin Pioneer Crossing for Seniors	Lufkin
09230	Darson Marie Terrace	San Antonio
09232	Brazos Bend Villa	Richmond
09233	Casa Alton	Alton
09236	Woodland Park at Greenville, Phase I	Greenville
09237	Woodland Park at Decatur	Decatur
09238	Woodland Park at Greenville II	Greenville
09242	Beechnut Oaks	Houston
09245	Heights at Corral	Kingsville
09247	Sterling Heights Apartments	Beaumont
09248	Pearland Senior Village	Pearland
09249	Dixie Gardens	Houston
09254	Irvington Court	Houston
09260	Millie Street Apartments	Longview
09261	Turner Street Apartments	Palestine
09264	Sedona Ranch	Fort Worth
09265	Greenhouse Place	Houston
09266	Skytop Apartments	Conroe
09267	Heritage Crossing	Santa Fe
09268	Wildflower Terrace	Austin
09269	Eldridge Oaks	Houston
09270	Northline Apartment Homes	Houston
09272	Mason Apartment Homes	Houston
09274	Windfern Pointe Apartments	Houston
09276	Cypress Creek at Calder Drive	Dickinson
09280	Mariposa at Ella Blvd.	Houston
09281	Mariposa at Keith Harrow	Houston
09287	Horizon Meadows Apartments	La Marque
09288	Chaminade Apartments	San Antonio
09293	Villas of Shady Grove	Burnet
09294	Northgate/Rhomberg Apartments	Burnet
09299	Hillcrest Acres	Midland
09304	Gardens at Clearwater Apartments	Kerrville
09306	Canyon Square Village	El Paso
09307	Medio Springs Ranch Apartments	San Antono
09308	Village of Kaufman	Kaufman
09310	San Gabriel Crossing	Liberty Hill
09311	Deerbrook Place Apartments	Houston
09312	Villas at El Dorado Apartments	Houston
09313	Hampshire Court Apartments	Pasadena
09314	Taylor Farms	Dallas
09315	Canyons Retirement Community	Amarillo
09316	Champion Homes at Bay Walk	Galveston
09317	Champion Homes at Marina Landing	Galveston
09318	Hyatt Manor I and II Apartments	Gonzales

09319	Casa Messina	Edcouch
09320	Oxford Street Apartments	Amarillo

Motion by Ms. Ray to approve Consent Agenda; seconded by Ms. Bingham-Escareño; passed unanimously.

ADJOURN:

Since there was no other business to come before the Board, the meeting was adjourned at 3:45 p.m. on June 29, 2009.

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Timothy K. Irvine, Board Secretary

NOTE: To view the full Transcript for this meeting, please visit the TDHCA website at: www.TDHCA.state.tx.us

BOARD ACTION REQUEST
July 16, 2009

Action Item

Report on appointment of a member of the Audit Committee.

Required Action

Accept report to acknowledge appointment.

Summary

In accordance with Tex. Gov't. Code, §2306.056, the presiding officer appoints board members to committees. Tom Gann has indicated a willingness to serve on the Audit Committee and does not have any diasabling conflicts. Therefore, Kent Conine, the presiding officer, has appointed Mr. Gann to serve on the Audit Committee. The current Audit Committee membership is:

Gloria Ray, Chair
Leslie Bingham-Escareño
Tom Gann

HOUSING TRUST FUND DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of Housing Trust Fund Program Award Recommendations.

Requested Action

Approve, Deny or Approve with Amendments the Housing Trust Fund Program Award Recommendations.

2009 VETERANS HOUSING SUPPORT PROGRAM

A Notice of Funding Availability (NOFA) for $1,000,000 for the 2009 Texas Veterans Housing Support Program was approved by the Board on December 18, 2008, consistent with the 2009 Housing Trust Fund Annual Plan. The NOFA allows applications for funding on a statewide first-come, first-served basis and established a submission deadline of May 1, 2009.

The Department has received four applications to date requesting a total of $959,995 in project funds and $40,000 in administrative funding for a total of $999,995 of funds requested. The Board has approved an award totaling $249,995, leaving $250,005 available. If the application being considered today is awarded the recommended $250,000 in HTF funds, $5 in funds remaining will be added to the HTF available funds balance to be reprogrammed at a future Board meeting.

The application from Webb County to assist 11 veteran households with rental assistance for up to 36 months has been reviewed and met the NOFA requirements and is therefore being recommended for award.

The Application Log reflecting all applications received in response to the Veterans Housing Support Program NOFA and an Award Recommendations Log are attached.

Recommendation

Staff recommends that the Board approve an award for the following application as detailed in the attached Award Log:

2009-0014	Webb County	VRA

2009 Texas Veterans Housing Support Program - Award Recommendations Log

Sorted by date/time received

Total NOFA Amount - $1,000,000

Total Amount Available Prior to Action: $250,005

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0014	4/30/2009	8:15 AM	County of Webb	11	$240,000	$10,000	11	$240,000	$10,000	11	Pending Award
				Totals:	**$240,000**	**$10,000**	**11**	**$240,000**	**$10,000**	**11**	

2009 Texas Veterans Housing Support Program - Application Log

Sorted by date/time received

Total NOFA Amount - $1,000,000

Total Amount Available Prior to Action: $250,005

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2009-0004	2/12/2009	2:33 PM	FUTURO Communities, Inc.	11	$239,995	$10,000	7	$239,995	$10,000	7	Awarded 4/23/2009
2009-0008	3/9/2009	12:53 PM	Center for Housing & Economic Opportunities Corporation	7	$240,000	$10,000	7	$240,000	$10,000	7	Awarded 4/23/2009
2009-0012	3/26/2009	3:47 PM	Community Partnership for the Homeless	7	$240,000	$10,000	24	$240,000	$10,000	24	Awarded 5/21/2009
2009-0014	4/30/2009	8:15 AM	County of Webb	11	$240,000	$10,000	11	$240,000	$10,000	11	Pending Award
				Totals:	**$959,995**	**$40,000**	**49**	**$959,995**	**$40,000**	**49**	

FINANCIAL ADMINISTRATION DIVISION

BOARD ACTION REQUEST
July 16, 2009

Report Item
3rd Quarter Investment Report

Required Action
Presentation of the Department's 3rd Quarter Investment Report

Background
- This report is in the prescribed format and detail as required by the Public Funds Investment Act. It shows in detail the types of investments, their maturity, their carrying (face amount) value and fair value at the beginning and end of the quarter.

- Overall, the portfolio carrying value decreased by $38,266,186 (See Page 1) for a total of $1,622,900,092. The Single Family indenture paid $24.9 million in principal and $17.9 million in interest. Also, there was one multi family bond issuance in the amount of $13.7 million. The remaining difference is accounted for by construction draws made by multi-family projects currently under construction and interest earnings from investments.

  The portfolio consists of (See Page 4):

	Beginning Quarter	Ending Quarter
Mortgage Backed Securities (MBS)	82%	83%
Guaranteed Investment Contract/ Investment Agreement (GIC/IA)	4%	6%
Repurchase Agreements	7%	4%
Other (Cd's, MM's, T-Bonds)	7%	7%

The 1% increase in MBS is a result of purchases which represent newly originated loans being pooled and converted into securitized investments. The 2% increase in GIC/IA is a result of the reinvestment of the repayments related to the MBS. The 3% decrease in Repurchase Agreements is a result of the debt service payments for the RMRB Indenture.

The portfolio activity for the quarter (See Page 5):

- $3,996,025 of MBS purchases during the quarter represent portfolio activity for new loans originated.

- The maturities in MBS this quarter were $25,527,067 which represents loan payoffs. The table below shows a declining trend in new loans and steady trend in loan payoffs.

	3rd Qtr FY 08	4th Qtr FY 08	1st Qtr FY 09	2nd Qtr FY 09	3rd Qtr FY 09	Total
Purchases	42,139,623	53,431,468	34,559,150	28,407,693	3,996,025	162,533,959
Sales						
Maturities	21,441,989	21,242,337	20,647,224	21,587,847	25,527,067	110,446,464

- The fair value (the amount at which a financial instruments could be exchanged in a current transaction between willing parties) increased $13,322,997 (See Pages 1 and 5) increasing the difference between fair value and carrying value (the Department's acquisition cost of its financial instruments net of amortization) with fair value being more. The national average for a 30-year fixed mortgage as reported by HSH Associates Financial Publishers (a national clearinghouse of mortgage data) was 5.49% for the end of May down from 5.83% at the end of February. The spread between the market rate and our below-market rates is decreasing. There are various factors that affect the fair value of these investments but there is a correlation between the prevailing mortgage interest rates and the change in market value.

- Given the current financial environment, this change in market value is to be expected. If current mortgage rates continue to decrease, the Department can expect another increase in market value next quarter. However, the change is cyclical and is reflective of the overall change in the bond market as a whole.

- The process of valuing investments at fair value (market value) generates unrealized gains and losses. These gain or losses do not impact the overall portfolio because the Department does not liquidate these investments (mortgage backed securities) but holds them until maturity.

- The fact that our investments provide the appropriate cash flow to pay debt service and eventually retire the related bond debt is more important than their relative value in the bond market as a whole.

- The more relevant measures of indenture parity, projected future cash flows and the comparison of current interest income to interest expense are not part of a public funds investment report. The next page is an additional analysis prepared by the Bond Finance group (it is not part of the PFIA report). This report shows parity (ratio of assets to liabilities) by indentures with assets greater than liabilities in a range from 103.94% to 118.41% which would indicate the Department has sufficient assets to meet its obligations.

- The interest comparison for the indentures shows interest income greater than interest expense and indicates a current positive cash flow.

Texas Department of Housing and Community Affairs
Bond Finance Division
Executive Summary
As of May 31, 2009

	Single Family Indenture Funds	Residential Mortgage Revenue Bond Indenture Funds	Collateralized Home Mortgage Revenue Bond Indenture Funds	Multi-Family Indenture Funds	Combined Totals
PARITY COMPARISON:					
PARITY ASSETS					
Cash	$ -	$ -	$ -	$ 947,888	$ 947,888
Investments[1]	$ 98,886,930	$ 26,633,738	$ 1,150,640	$ 111,949,252	$ 238,620,560
Mortgage Backed Securities[1]	$ 1,007,005,089	$ 256,998,448	$ 10,070,978		$ 1,274,074,516
Loans Receivable	$ 34,607,169	$ 900,658	$ -	$ 1,212,559,733	$ 1,248,067,560
Accrued Interest Receivable	$ 5,362,635	$ 1,866,676	$ 65,563	$ 9,416,248	$ 16,711,122
TOTAL PARITY ASSETS	$ 1,145,861,823	$ 286,399,521	$ 11,287,181	$ 1,334,873,121	$ 2,778,421,646
PARITY LIABILITIES					
Bonds Payable[1]	$ 1,088,935,000	$ 267,590,000	$ 9,500,000	$ 1,213,282,916	$ 2,579,307,916
Accrued Interest Payable	$ 13,454,449	$ 6,071,261	$ 32,153	$ 9,569,229	$ 29,127,092
TOTAL PARITY LIABILITIES	$ 1,102,389,449	$ 273,661,261	$ 9,532,153	$ 1,222,852,145	$ 2,608,435,008
PARITY DIFFERENCE	$ 43,472,374	$ 12,738,260	$ 1,755,028	$ 112,020,976	$ 169,986,638
PARITY [2]	**103.94%**	**104.65%**	**118.41%**	**109.16%**	**106.52%**
INTEREST COMPARISON (For the Ninth Fiscal Month) :					
INTEREST INCOME					
Interest & Investment Income	$5,500,071	$1,334,030	$61,468	$4,739,168	$11,634,737
TOTAL INTEREST INCOME	$5,500,071	$1,334,030	$61,468	$4,739,168	$11,634,737
INTEREST EXPENSE					
Interest on Bonds	$4,649,215	$1,211,640	$54,792	$4,739,084	$10,654,731
TOTAL INTEREST EXPENSE	$4,649,215	$1,211,640	$54,792	$4,739,084	$10,654,731
NET INTEREST	$850,856	$122,390	$6,676	$84	$980,006
INTEREST RATIO	**118.30%**	**110.10%**	**112.18%**	**100.00%**	**109.20%**

(1) Investments, Mortgage Backed Securities and Bonds Payable reported at par value not fair value.
This adjustment is consistent with indenture cashflows prepared for rating agencies.

(2) Additional accounts pledged to bonds were added to parity calculation in February 2009 to be consistent with cashflows prepared by underwriters.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING MAY 31, 2009

PUBLIC FUNDS INVESTMENT ACT
INTERNAL MANAGEMENT REPORT (SEC. 2256.023)
QUARTER ENDING MAY 31, 2009

1) PFIA- Internal Management Report (Sec. 2256.023)
2) Bar Graph - Comparison of Market by Fund Group between Quarters
3) Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
4) Bar Graph - Comparison of Market Valuation by Investment Type between Quarters
5) Supplemental Public Funds Investment Act Report by Investment Type
6) Detail of Investments including maturity dates by Fund Group

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Internal Management Report (Sec. 2256.023)
Quarter Ending May 31, 2009

(b) (4) Summary statement of each pooled fund group:

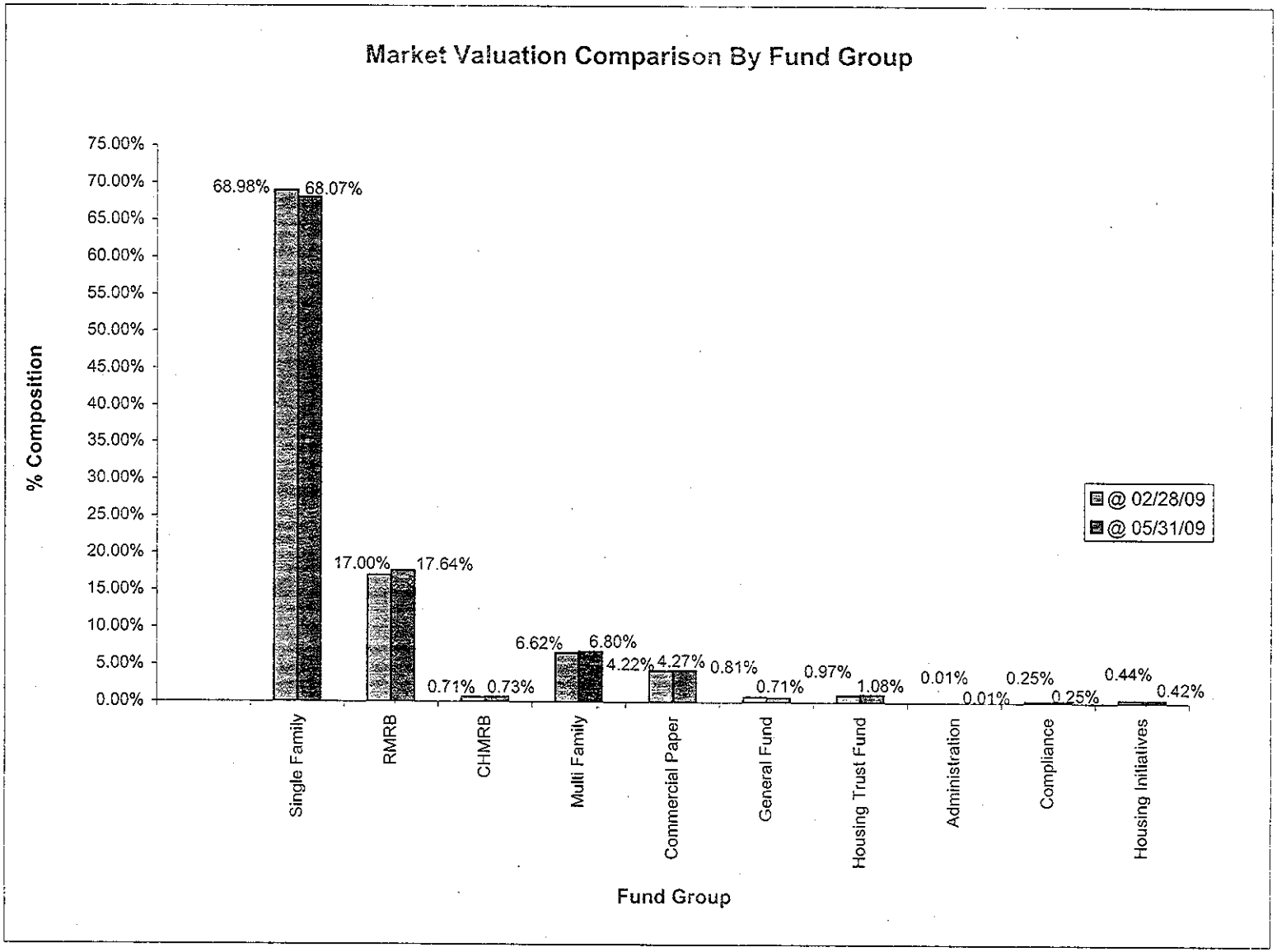
INDENTURE	FAIR VALUE (MARKET) @02/28/09	CARRYING VALUE @02/28/09	CHANGE IN CARRYING VALUE ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @05/31/09	FAIR VALUE (MARKET) @05/31/09	CHANGE IN FAIR VALUE (MARKET)	ACCRUED INT RECVBL @05/31/09	RECOGNIZED GAIN
Single Family	1,170,435,627.96	1,144,706,797.61	36,210,598.21	(59,282,865.03)	(19,387,873.68)	0.00	1,102,246,657.11	1,138,129,625.30	10,154,137.84	5,288,509.00	0.00
RMRB	288,544,020.95	279,382,644.16	9,244,988.23	(11,885.97)	(5,831,370.56)	0.00	282,784,375.86	294,999,400.12	3,053,647.47	1,847,946.00	0.00
CHMRB	12,014,101.30	11,203,144.70	213,791.56	(1.35)	(215,583.19)	0.00	11,201,351.72	12,127,520.48	115,212.16	65,563.00	0.00
Multi Family	112,358,156.45	112,358,156.45	17,681,004.40	(16,201,368.94)	(92,239.95)	0.00	113,745,551.96	113,745,551.96	-	15.00	0.00
Commercial Paper	71,594,972.41	71,594,972.41	0.00	(137,560.29)	0.00	0.00	71,457,412.12	71,457,412.12	-	0.00	0.00
General Fund	13,686,467.16	13,686,467.16	462,010.56	(2,256,840.21)	0.00	0.00	11,891,637.51	11,891,637.51	-	178.00	0.00
Housing Trust Fund	16,392,476.69	16,392,476.69	4,372,396.53	(2,679,074.01)	0.00	0.00	18,085,799.21	18,085,799.21	-	271.00	0.00
Administration	158,701.57	158,701.57	38.55	0.00	0.00	0.00	158,740.12	158,740.12	-	2.00	0.00
Compliance	4,281,096.09	4,281,096.09	12,774.71	(65,203.31)	0.00	0.00	4,228,667.49	4,228,667.49	-	63.00	0.00
Housing Initiatives	7,401,820.79	7,401,820.79	135,885.96	(437,808.58)	0.00	0.00	7,099,898.17	7,099,898.17	-	107.00	0.00
TOTAL	1,696,867,441.37	1,661,166,277.63	68,333,488.71	(81,072,607.69)	(25,527,067.38)	0.00	1,622,900,091.27	1,671,924,252.48	13,322,997.47	7,202,654.00	0.00

* No relationship can be drawn between the "ACCRUED INT RECVBL @ 05/31/09" figures and the corresponding investment values, because of various factors (e.g. purchase date of investment; interest payment terms-daily, monthly & semi-annual; etc..). In addition to the aforementioned factors with regards to the Multi Family Indenture, the Department is carrying $114,693,440 of investments pledged as reserves by participating entities. The Department is carrying these investments with their corresponding liability purely for tracking the flow of funds.

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

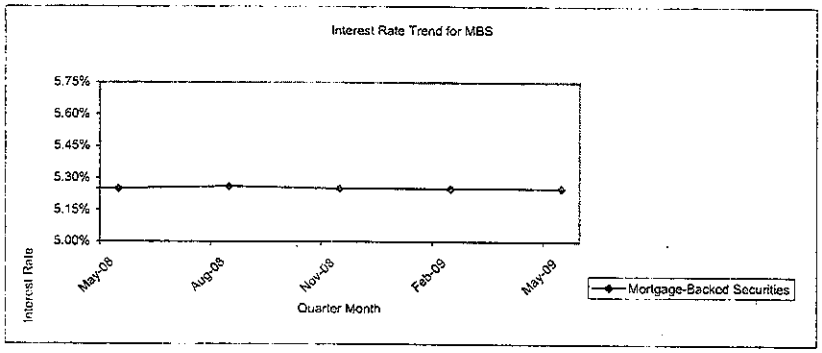
David Cervantes, Director of Financial Administration — Date _____

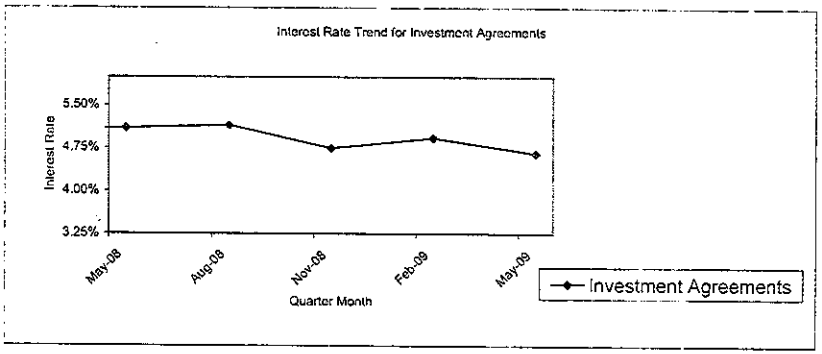
Matt Pogor, Director of Bond Finance — Date 5/29/09

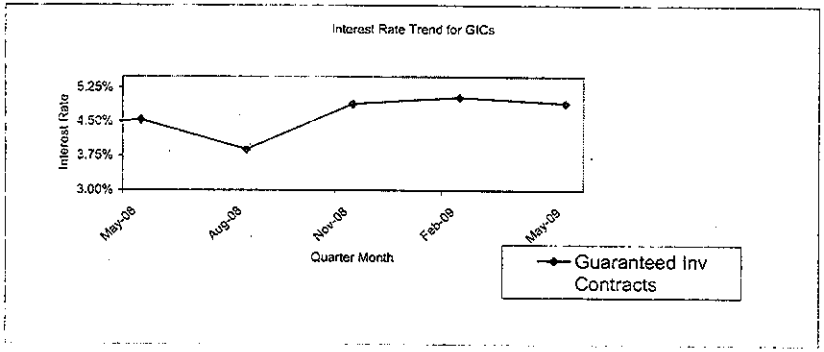

Market Valuation Comparison By Fund Group
% Composition
75.00%
70.00%
65.00%
60.00%
55.00%
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
68.98%
68.07%
17.00%
17.64%
0.71%
0.73%
6.62%
6.80%
4.22%
4.27%
0.81%
0.71%
0.97%
1.08%
0.01%
0.01%
0.25%
0.25%
0.44%
0.42%
@ 02/28/09
@ 05/31/09
Single Family
RMRB
CHMRB
Mulli Family
Commercial Paper
General Fund
Housing Trust Fund
Administration
Compliance
Housing Initiatives
Fund Group

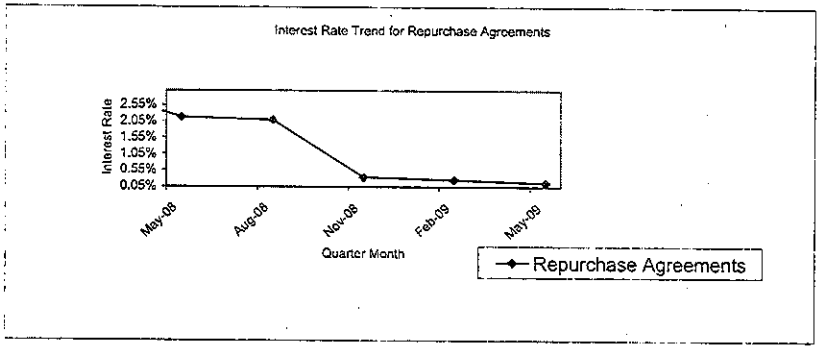
TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Schedule of Portfolio Interest Rate Trends and Maturities
Quarter May 31, 2009

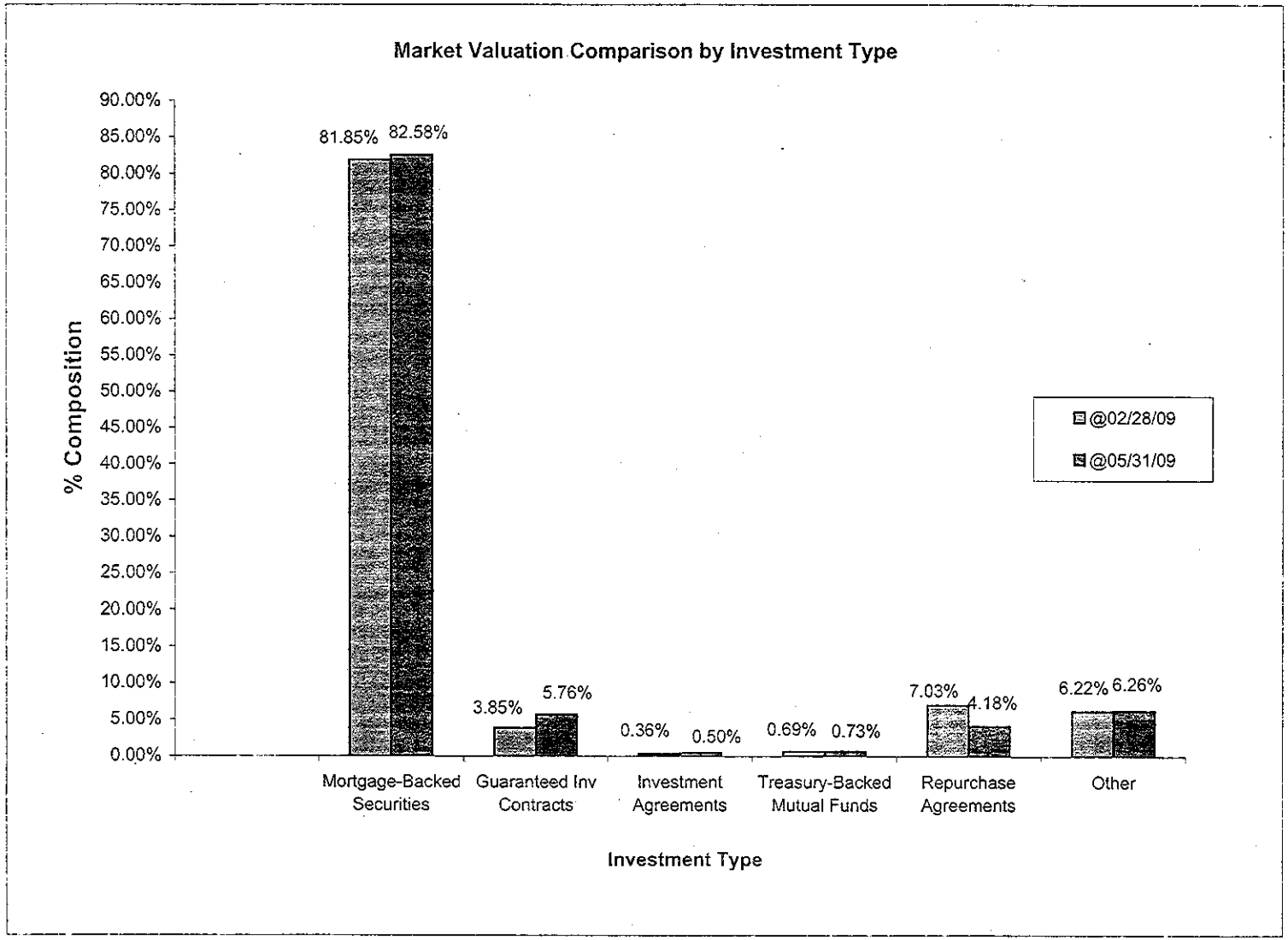
INVESTMENT TYPE	Range of Interest for Current Quarter HI	LOW	Portfolio % Composition	Weighted Avg Rate Beg Carrying Value @ 02/28/09	Weighted Avg Rate Beg Market Value @ 02/28/09	Weighted Avg Rate End Carrying Value @ 05/31/09	Weighted Avg Rate End Market Value @ 05/31/09	Weighted Avg Maturity Beg Carrying Value @ 02/28/09		Weighted Avg Maturity Beg Market Value @ 02/28/09		Weighted Avg Maturity End Carrying Value @ 05/31/09		Weighted Avg Maturity End Market Value @ 05/31/09	
								Months	Days	Months	Days	Months	Days	Months	Days
Mortgage-Backed Securities	8.75%	4.49%	82.58%	5.24%	5.25%	5.25%	5.25%	314	0	313	23	310	27	310	27
Guaranteed Inv Contracts	6.51%	3.37%	5.76%	5.04%	5.04%	4.91%	4.91%	119	13	119	13	190	7	190	7
Investment Agreements	5.15%	2.51%	0.50%	4.93%	4.93%	4.66%	4.66%	55	15	55	15	129	28	129	28
Repurchase Agreements	0.18%	0.18%	4.18%	0.26%	0.26%	0.18%	0.18%	0	2	0	2	0	1	0	1
Money Markets	0.00%	0.41%	1.98%	0.22%	0.22%	0.08%	0.08%	0	1	0	1	0	1	0	1
Treasury-Backed Mutual Funds	0.00%	0.36%	0.73%	0.04%	0.04%	0.03%	0.03%	0	1	0	1	0	1	0	1
Commercial Paper	0.00%	0.00%	4.27%	0.00%	0.00%	0.00%	0.00%	4	12	4	12	1	10	1	10
Treasury Bonds/Notes	0.00%	0.00%	0.00%	13.25%	13.25%	0.00%	0.00%	63	12	63	12	0	0	0	0










Market Valuation Comparison by Investment Type
% Composition
90.00%
85.00%
80.00%
75.00%
70.00%
65.00%
60.00%
55.00%
50.00%
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
81.85%
82.58%
3.85%
5.76%
0.36%
0.50%
0.69%
0.73%
7.03%
4.18%
6.22%
6.26%
@02/28/09
@05/31/09
Mortgage-Backed Securities
Guaranteed Inv Contracts
Investment Agreements
Treasury-Backed Mutual Funds
Repurchase Agreements
Other
Investment Type

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
HOUSING FINANCE DIVISION
PUBLIC FUNDS INVESTMENT ACT
Supplemental Public Funds Investment Act Report by Investment Type Schedule
Quarter Ending May 31, 2009

(b) (4) Summary statement of each pooled investment group:

INVESTMENT TYPE	FAIR VALUE (MARKET) @ 02/28/09	CARRYING VALUE @ 02/28/09	CHANGE IN CARRYING VALUE ACCRETION/ PURCHASES	AMORTIZATION/ SALES	MATURITIES	TRANSFERS	CARRYING VALUE @ 05/31/09	FAIR VALUE (MARKET) @ 05/31/09	CHANGE IN FAIR VALUE (MARKET)	RECOGNIZED GAIN
Commercial Paper	71,431,000.00	71,431,000.00	0.00	0.00	0.00	0.00	71,431,000.00	71,431,000.00	-	0.00
Mortgage-Backed Securities	1,388,892,669.84	1,353,219,090.22	3,996,024.82	0.00	(25,527,067.38)	0.00	1,331,688,047.66	1,380,712,208.87	13,350,581.59	0.00
Guaranteed Inv Contracts	65,324,888.86	65,324,888.86	33,951,312.55	(3,042,492.58)	0.00	0.00	96,233,708.83	96,233,708.83	-	0.00
Investment Agreements	6,187,520.49	6,187,520.49	2,566,427.58	(348,731.39)	0.00	0.00	8,405,216.68	8,405,216.68	-	0.00
Treasury-Backed Mutual Funds	11,658,115.40	11,658,115.40	3,262,594.62	(2,765,103.12)	0.00	0.00	12,155,606.90	12,155,606.90	-	0.00
Repurchase Agreements	119,288,013.35	119,288,013.35	11,347,357.54	(60,802,756.07)	0.00	0.00	69,832,614.82	69,832,614.82	-	0.00
Money Markets	33,117,922.89	33,117,922.89	13,209,771.60	(13,173,798.11)	0.00	0.00	33,153,896.38	33,153,896.38	-	0.00
Treasury Bonds/Notes	967,310.54	939,726.42	0.00	(939,726.42)	0.00	0.00	0.00	0.00	(27,584.12)	0.00
TOTAL	1,696,867,441.37	1,661,166,277.63	68,333,488.71	(81,072,607.69)	(25,527,067.38)	0.00	1,622,900,091.27	1,671,924,252.48	13,322,997.47	0.00

(b) (8) The Department is in compliance with regards to investing its funds in a manner which will provide by priority the following objectives: (1) safety of principal, (2) sufficient liquidity to meet Department cash flow needs, (3) a market rate of return for the risk assumed, and (4) conformation to all applicable state statutes governing the investment of public funds including Section 2306 of the Department's enabling legislation and specifically, Section 2256 of the Texas Government Code, the Public Funds Investment Act.

David Cervantes, Director of Financial Administration — Date _____

Matt Pogor, Director of Bond Finance — Date 5/29/09

Detail of Investments including maturity dates by Fund Group

Texas Department of Housing and Community Affairs
Single Family Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	1980 Single Family Surplus Rev	0.18	05/29/09	06/01/09	7,380.99	7,380.99		(3,824.24)			3,556.75	3,556.75	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.18	05/29/09	06/01/09	1,651,744.89	1,651,744.89		(388,925.44)			1,262,819.45	1,262,819.45	-	0.00
GICs	1980 Single Family Surplus Rev	6.08	11/14/96	09/30/29	5,891,010.83	5,891,010.83	1,364,459.96				7,255,470.79	7,255,470.79	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.18	05/29/09	06/01/09	49,087.16	49,087.16	23.54				49,110.70	49,110.70	-	0.00
Repo Agmt	1980 Single Family Surplus Rev	0.18	05/29/09	06/01/09	5,097.98	5,097.98	8,911.73				14,009.71	14,009.71	-	0.00
	1980 Single Family Surplus Rev Total				7,604,321.85	7,604,321.85	1,373,395.23	(392,749.68)	0.00	0.00	8,584,967.40	8,584,967.40	0.00	0.00
Repo Agmt	1982 A Single Family				135.78	135.78		(135.78)					-	0.00
	1982 A Single Family Total				135.78	135.78	0.00	(135.78)	0.00	0.00	0.00	0.00	0.00	0.00
Repo Agmt	1983 A&B Single Family				9,147.30	9,147.30		(9,147.30)					-	0.00
GICs	1983 A&B Single Family	6.08	11/14/96	09/30/29	263,779.44	263,779.44		(104,205.77)			159,573.67	159,573.67	-	0.00
T-Note	1983 A&B Single Family				717.33	738.56		(717.33)					(21.23)	0.00
	1983 A&B Single Family Total				273,644.07	273,665.30	0.00	(114,070.40)	0.00	0.00	159,573.67	159,573.67	(21.23)	0.00
GICs	1984 A&B Single Family	6.08	11/14/96	09/30/29			40,950.41				40,950.41	40,950.41	-	0.00
Repo Agmt	1984 A&B Single Family				1,894.95	1,894.95		(1,894.95)					-	0.00
T-Bond	1984 A&B Single Family				408.46	420.57		(408.46)					(12.11)	0.00
	1984 A&B Single Family Total				2,303.41	2,315.52	40,950.41	(2,303.41)	0.00	0.00	40,950.41	40,950.41	(12.11)	0.00
Repo Agmt	1985 A Single Family	0.18	05/29/09	06/01/09	5,254.18	5,254.18	15,058.82				20,313.00	20,313.00	-	0.00
GICs	1985 A Single Family	6.08	11/14/96	09/30/29	38,135.67	38,135.67	115,613.00				153,748.67	153,748.67	-	0.00
	1985 A Single Family Total				43,389.85	43,389.85	130,671.82	0.00	0.00	0.00	174,061.67	174,061.67	0.00	0.00
GICs	1985 B&C Single Family	6.08	11/14/96	09/30/29			95,113.80				95,113.80	95,113.80	-	0.00
Repo Agmt	1985 B&C Single Family				47,273.11	47,273.11		(47,273.11)					-	0.00
	1985 B&C Single Family Total				47,273.11	47,273.11	95,113.80	(47,273.11)	0.00	0.00	95,113.80	95,113.80	0.00	0.00
Repo Agmt	1987 B Single Family	0.18	05/29/09	06/01/09	3,773.91	3,773.91		(3,771.43)			2.48	2.48	-	0.00
GICs	1987 B Single Family	6.08	11/14/96	09/30/29	147,646.68	147,646.68		(99,179.39)			48,467.29	48,467.29	-	0.00
Repo Agmt	1987 B Single Family	0.18	05/29/09	06/01/09	496,958.91	496,958.91	0.00				496,958.91	496,958.91	-	0.00
	1987 B Single Family Total				648,379.50	648,379.50	0.00	(102,950.82)	0.00	0.00	545,428.68	545,428.68	0.00	0.00
Repo Agmt	1995 A&B Single Family	0.18	05/29/09	06/01/09	18,923.13	18,923.13		(18,923.06)			0.07	0.07	-	0.00
GICs	1995 A&B Single Family	6.08	11/14/96	09/30/29	187,748.76	187,748.76		(147,524.32)			40,224.44	40,224.44	-	0.00
FNMA	1995 A&B Single Family	6.15	07/30/96	06/01/26	156,305.56	165,229.54			(1,359.15)		154,946.40	166,694.44	2,824.05	0.00
GNMA	1995 A&B Single Family	6.15	11/26/96	11/20/26	530,176.44	555,648.61			(5,905.34)		524,271.10	563,586.67	13,843.40	0.00
GNMA	1995 A&B Single Family	6.15	05/29/97	05/20/27	260,910.07	272,945.84			(6,165.90)		254,744.17	272,410.68	5,630.74	0.00
	1995 A&B Single Family Total				1,154,063.95	1,200,495.88	0.00	(166,447.38)	(13,430.39)	0.00	974,186.18	1,042,916.30	22,298.19	0.00
Repo Agmt	1996 A-C Single Family	0.18	05/29/09	06/01/09	489,209.04	489,209.04	235.12				489,444.16	489,444.16	-	0.00
Inv Agmt	1996 A-C Single Family	6.13	02/26/97	09/01/28	132,430.09	132,430.09	0.00				132,430.09	132,430.09	-	0.00
	1996 A-C Single Family Total				621,639.13	621,639.13	235.12	0.00	0.00	0.00	621,874.25	621,874.25	0.00	0.00
T-Bond	1996 D&E Single Family				938,600.63	966,151.41		(938,600.63)					(27,550.78)	0.00
Repo Agmt	1996 D&E Single Family	0.18	05/29/09	06/01/09			941,870.00				941,870.00	941,870.00	-	0.00
Repo Agmt	1996 D&E Single Family	0.18	05/29/09	06/01/09	623,542.28	623,542.28	299.76				623,842.04	623,842.04	-	0.00
GICs	1996 D&E Single Family	6.08	04/06/98	09/30/29	151,159.39	151,159.39	0.00				151,159.39	151,159.39	-	0.00
	1996 D&E Single Family Total				1,713,302.30	1,740,853.08	942,169.76	(938,600.63)	0.00	0.00	1,716,871.43	1,716,871.43	(27,550.78)	0.00
Repo Agmt	1997 D-F Single Family	0.18	05/29/09	06/01/09	1,239,836.10	1,239,836.10		(952,066.62)			287,769.48	287,769.48	-	0.00
FNMA	1997 D-F Single Family	6.25	06/29/98	06/01/28	349,512.13	366,817.18			(4,500.73)		345,011.40	369,221.56	6,905.11	0.00
FNMA	1997 D-F Single Family	6.25	11/30/98	10/01/28	216,484.88	227,203.03			(1,589.25)		214,895.63	229,974.83	4,361.05	0.00
GNMA	1997 D-F Single Family	6.25	05/19/98	05/20/28	408,369.79	428,535.11			(6,260.08)		402,109.71	430,615.25	8,340.22	0.00
GNMA	1997 D-F Single Family	5.45	07/24/00	06/20/30	1,057,720.00	1,089,832.37			(7,964.05)		1,049,755.95	1,093,299.80	11,431.48	0.00
GNMA	1997 D-F Single Family	6.25	08/14/98	07/20/28	196,191.49	205,879.43			(1,691.93)		194,499.56	208,287.63	4,100.13	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	1997 D-F Single Family	5.45	08/28/00	08/20/30	228,020.24	234,942.90			(1,400.65)		226,619.59	236,019.75	2,477.50	0.00
GNMA	1997 D-F Single Family	6.25	06/30/98	06/20/28	457,546.26	480,139.91			(3,815.33)		453,730.93	485,895.93	9,571.35	0.00
GNMA	1997 D-F Single Family	6.25	09/18/98	08/20/28	852,981.59	895,101.87			(46,968.43)		806,013.16	863,151.46	15,018.02	0.00
FNMA	1997 D-F Single Family	6.25	03/31/99	11/01/28	149,162.40	156,547.42			(949.86)		148,212.54	158,612.61	3,015.05	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	11/20/28	725,596.78	761,426.68			(6,173.48)		719,423.30	770,423.13	15,169.93	0.00
GNMA	1997 D-F Single Family	6.25	11/30/98	10/20/28	354,335.54	371,832.62			(2,632.46)		351,703.08	376,635.31	7,435.15	0.00
FNMA	1997 D-F Single Family	6.25	05/27/99	04/01/29	123,602.27	129,605.62			(1,235.14)		122,367.13	130,838.60	2,468.12	0.00
GNMA	1997 D-F Single Family	6.25	02/16/99	02/20/29	1,452,023.66	1,523,927.91			(10,164.66)		1,441,859.00	1,544,086.82	30,323.57	0.00
GNMA	1997 D-F Single Family	6.25	03/31/99	03/20/29	625,846.10	656,838.02			(6,792.01)		619,054.09	662,945.04	12,899.03	0.00
GNMA	1997 D-F Single Family	6.25	05/27/99	04/20/29	401,168.97	421,034.84			(5,344.98)		395,823.99	423,687.91	8,198.05	0.00
GNMA	1997 D-F Single Family	5.45	06/22/99	06/20/29	691,231.72	712,805.04			(9,572.31)		681,659.41	710,295.90	7,063.17	0.00
GNMA	1997 D-F Single Family	5.45	07/30/99	07/20/29	866,670.94	893,719.68			(6,765.38)		859,905.56	896,030.13	9,075.83	0.00
GNMA	1997 D-F Single Family	5.45	08/26/99	08/20/29	586,476.73	604,780.64			(4,536.93)		581,939.80	606,387.07	6,143.36	0.00
GNMA	1997 D-F Single Family	5.45	09/30/99	09/20/29	490,021.52	505,315.08			(3,278.49)		486,743.03	507,191.09	5,154.50	0.00
FNMA	1997 D-F Single Family	5.45	12/21/99	11/01/29	274,364.68	283,333.64			(4,565.03)		269,799.65	281,187.87	2,419.26	0.00
GNMA	1997 D-F Single Family	5.45	10/29/99	10/20/29	919,550.95	948,250.14			(6,693.84)		912,857.11	951,206.25	9,649.95	0.00
GNMA	1997 D-F Single Family	5.45	11/18/99	11/20/29	1,309,007.10	1,348,861.22			(9,450.74)		1,299,556.36	1,354,150.73	13,740.25	0.00
GNMA	1997 D-F Single Family	5.45	12/30/99	12/20/29	1,074,981.17	1,108,531.30			(7,270.58)		1,067,710.59	1,112,565.05	11,304.33	0.00
GNMA	1997 D-F Single Family	5.45	01/28/00	01/20/30	1,224,994.51	1,262,185.32			(8,629.83)		1,216,364.68	1,266,819.48	13,263.99	0.00
GNMA	1997 D-F Single Family	5.45	02/22/00	01/20/30	668,499.30	688,794.94			(5,993.63)		662,505.67	689,986.40	7,185.09	0.00
GNMA	1997 D-F Single Family	5.45	03/27/00	02/20/30	336,945.17	347,174.84			(2,178.85)		334,766.32	348,652.44	3,656.45	0.00
FNMA	1997 D-F Single Family	5.45	02/23/00	01/01/30	144,288.51	149,005.28			(891.44)		143,397.07	149,449.84	1,336.00	0.00
GNMA	1997 D-F Single Family	5.45	04/27/00	03/20/30	393,973.06	405,934.06			(2,802.43)		391,170.63	407,396.36	4,264.73	0.00
GNMA	1997 D-F Single Family	5.45	05/30/00	05/20/30	542,094.61	558,552.58			(10,847.18)		531,247.43	553,283.55	5,578.15	0.00
GNMA	1997 D-F Single Family	5.45	06/21/00	06/20/30	1,012,597.15	1,043,339.57			(6,331.71)		1,006,265.44	1,048,005.29	10,997.43	0.00
FNMA	1997 D-F Single Family	5.45	05/30/00	05/01/30	197,696.00	203,767.17			(3,229.34)		194,466.66	202,346.37	1,808.54	0.00
GNMA	1997 D-F Single Family	5.45	10/23/00	09/20/30	41,099.66	42,347.45			(279.73)		40,819.93	42,513.15	445.43	0.00
GNMA	1997 D-F Single Family	5.45	10/30/00	10/20/30	267,501.82	275,623.18			(2,116.34)		265,385.48	276,393.68	2,886.84	0.00
FNMA	1997 D-F Single Family	5.45	07/24/00	06/01/30	443,765.38	457,393.36			(5,571.75)		438,193.63	455,949.18	4,127.57	0.00
GNMA	1997 D-F Single Family	5.45	12/21/00	05/20/30	65,158.89	67,137.09			(497.58)		64,661.31	67,343.44	703.93	0.00
FNMA	1997 D-F Single Family	5.45	10/06/00	09/01/30	302,245.45	311,527.38			(53,603.20)		248,442.25	258,509.10	784.92	0.00
FNMA	1997 D-F Single Family	5.45	10/30/00	08/01/30	323,672.99	333,613.01			(3,031.82)		320,641.17	333,633.57	3,052.38	0.00
FNMA	1997 D-F Single Family	5.45	02/12/01	02/01/30	76,749.48	79,258.41			(477.12)		76,272.36	79,491.81	710.52	0.00
Repo Agmt	1997 D-F Single Family	0.18	05/29/09	06/01/09	157,919.10	157,919.10	0.00				157,919.10	157,919.10	-	0.00
GNMA	1997 D-F Single Family	4.49	05/12/05	05/20/35	58,634.58	59,550.11			(282.77)		58,351.81	59,593.79	326.45	0.00
GNMA	1997 D-F Single Family	4.49	07/14/05	07/20/35	45,037.01	45,590.22			(208.17)		44,828.84	45,633.52	251.47	0.00
GNMA	1997 D-F Single Family	4.49	05/26/05	05/20/35	67,295.00	68,312.81			(392.31)		66,902.69	68,347.77	427.27	0.00
GNMA	1997 D-F Single Family	4.49	06/02/05	06/20/35	61,075.96	62,005.01			(326.46)		60,749.50	62,066.69	388.14	0.00
GNMA	1997 D-F Single Family	4.49	06/09/05	06/20/35	74,435.94	75,352.22			(351.63)		74,084.31	75,416.10	415.51	0.00
GNMA	1997 D-F Single Family	4.49	06/15/05	06/20/35	60,574.72	61,551.17			(288.43)		60,286.29	61,647.94	385.20	0.00
GNMA	1997 D-F Single Family	4.49	06/23/05	06/20/35	123,851.20	125,538.93			(8,731.23)		115,119.97	117,430.81	623.11	0.00
GNMA	1997 D-F Single Family	4.49	06/29/05	06/20/35	44,903.15	45,688.03			(205.16)		44,697.97	45,732.64	249.79	0.00
GNMA	1997 D-F Single Family	4.49	09/08/05	09/20/35	12,143.40	12,326.49			(55.90)		12,087.50	12,347.89	77.30	0.00
GNMA	1997 D-F Single Family	4.49	07/21/05	07/20/35	24,234.65	24,736.68			(110.80)		24,123.85	24,779.69	153.81	0.00
GNMA	1997 D-F Single Family	4.49	07/28/05	07/20/35	22,712.26	22,990.91			(7,033.11)		15,679.15	16,027.12	69.32	0.00
GNMA	1997 D-F Single Family	4.49	08/04/05	08/20/35	4,974.99	5,130.06			(22.09)		4,952.90	5,139.39	31.42	0.00
FNMA	1997 D-F Single Family	4.49	07/28/05	07/01/35	24,957.27	25,174.53			(150.04)		24,807.23	25,173.09	148.60	0.00
FNMA	1997 D-F Single Family	4.49	10/20/05	09/01/35	6,202.31	6,251.37			(28.53)		6,173.78	6,259.88	37.04	0.00
	1997 D-F Single Family Total				21,880,936.53	22,619,869.03	0.00	(952,066.62)	(284,484.94)	0.00	20,644,384.97	21,653,968.28	270,650.81	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.18	05/29/09	06/01/09	257,272.70	257,272.70		(215,108.81)			42,163.89	42,163.89	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.18	05/29/09	06/01/09	40,695.71	40,695.71	38,867.51				79,563.22	79,563.22	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.18	05/29/09	06/01/09	417,752.55	417,752.55	0.00				417,752.55	417,752.55	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.18	05/29/09	06/01/09	124,200.00	124,200.00	0.00				124,200.00	124,200.00	-	0.00
Repo Agmt	2002A Single Family (JR Lien)	0.18	05/29/09	06/01/09	4,949.92	4,949.92	203.18				5,153.10	5,153.10	-	0.00
	2002A Single Family (JR Lien) Total				844,870.88	844,870.88	39,070.69	(215,108.81)	0.00	0.00	668,832.76	668,832.76	0.00	0.00
Repo Agmt	2004 A/B Single Family	0.18	05/29/09	06/01/09	1,156.88	1,156.88	0.60				1,157.48	1,157.48	-	0.00
Repo Agmt	2004 A/B Single Family	0.18	05/29/09	06/01/09	9,545,411.88	9,545,411.88		(9,545,404.56)			7.32	7.32	-	0.00
GICs	2004 A/B Single Family	3.96	04/25/05	03/01/36	867,337.24	867,337.24	4,338,796.05				5,206,133.29	5,206,133.29	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change in Market Value	Recognized Gain
GNMA	2004 A/B Single Family	4.49	07/08/04	06/20/34	1,151,620.53	1,165,587.25			(6,651.83)		1,144,968.70	1,165,627.53	6,692.11	0.00
GNMA	2004 A/B Single Family	4.49	07/08/04	07/20/34	924,769.17	935,988.45			(4,868.66)		919,900.49	936,503.10	5,383.33	0.00
GNMA	2004 A/B Single Family	4.49	06/29/04	06/20/34	504,521.53	510,637.25			(2,515.95)		502,005.58	511,060.28	2,938.98	0.00
GNMA	2004 A/B Single Family	4.49	09/02/04	08/20/34	993,000.66	1,005,095.36			(125,517.42)		867,483.24	883,180.77	3,602.83	0.00
GNMA	2004 A/B Single Family	4.49	09/09/04	09/20/34	1,267,211.97	1,282,658.22			(7,437.02)		1,259,774.95	1,282,584.15	7,362.95	0.00
GNMA	2004 A/B Single Family	4.49	09/16/04	08/20/34	2,323,737.47	2,352,066.54			(12,540.22)		2,311,197.25	2,353,043.24	13,516.92	0.00
GNMA	2004 A/B Single Family	4.49	09/23/04	09/20/34	910,534.72	921,643.61			(4,714.89)		905,819.83	922,229.72	5,301.00	0.00
GNMA	2004 A/B Single Family	4.49	09/29/04	09/20/34	1,172,317.34	1,186,625.98			(6,559.87)		1,165,757.47	1,186,882.30	6,816.19	0.00
GNMA	2004 A/B Single Family	4.49	10/07/04	10/20/34	1,554,131.49	1,573,114.66			(7,751.31)		1,546,380.18	1,574,418.27	9,054.92	0.00
GNMA	2004 A/B Single Family	4.49	07/15/04	07/20/34	1,848,531.45	1,870,969.15			(10,295.27)		1,838,236.18	1,871,422.65	10,748.77	0.00
GNMA	2004 A/B Single Family	4.49	07/22/04	07/20/34	1,758,231.62	1,779,582.21			(9,347.79)		1,748,883.83	1,780,466.13	10,231.71	0.00
GNMA	2004 A/B Single Family	4.49	07/29/04	07/20/34	2,249,123.20	2,276,446.26			(13,329.73)		2,235,793.47	2,276,180.12	13,063.59	0.00
GNMA	2004 A/B Single Family	4.49	08/05/04	08/20/34	2,265,213.84	2,292,755.50			(13,116.02)		2,252,097.82	2,292,802.13	13,162.65	0.00
GNMA	2004 A/B Single Family	4.49	08/12/04	08/20/34	2,963,801.72	2,999,852.32			(17,600.38)		2,946,201.34	2,999,465.96	17,214.02	0.00
GNMA	2004 A/B Single Family	4.49	08/19/04	08/20/34	3,182,632.46	3,221,361.09			(18,411.06)		3,164,221.40	3,221,443.89	18,493.86	0.00
GNMA	2004 A/B Single Family	5.00	08/19/04	08/20/34	260,706.24	268,610.59			(1,249.31)		259,456.93	269,509.21	2,147.93	0.00
GNMA	2004 A/B Single Family	4.49	08/26/04	08/20/34	1,639,832.43	1,659,797.12			(8,262.61)		1,631,569.82	1,661,085.51	9,551.00	0.00
GNMA	2004 A/B Single Family	5.00	08/26/04	08/20/34	81,757.23	84,236.54			(364.01)		81,393.22	84,547.19	674.66	0.00
GNMA	2004 A/B Single Family	4.49	12/02/04	12/20/34	917,797.11	929,055.46			(4,508.02)		913,289.09	929,895.21	5,347.77	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	10/20/34	211,993.72	217,909.53			(1,356.62)		210,637.10	218,276.83	1,723.92	0.00
GNMA	2004 A/B Single Family	4.49	12/09/04	12/20/34	355,716.07	360,081.35			(1,829.71)		353,886.36	360,322.82	2,071.18	0.00
GNMA	2004 A/B Single Family	5.00	12/09/04	11/20/34	144,341.12	148,731.94			(856.01)		143,485.11	149,058.81	1,182.88	0.00
GNMA	2004 A/B Single Family	5.00	12/16/04	12/20/34	324,660.55	333,724.78			(1,432.69)		323,227.86	334,955.95	2,663.86	0.00
GNMA	2004 A/B Single Family	4.49	12/16/04	12/20/34	867,304.32	877,953.04			(4,516.02)		862,788.30	878,485.91	5,048.89	0.00
GNMA	2004 A/B Single Family	4.49	10/14/04	10/20/34	1,187,293.38	1,201,803.03			(5,712.06)		1,181,581.32	1,203,011.16	6,920.19	0.00
GNMA	2004 A/B Single Family	5.00	10/14/04	10/20/34	897,954.37	922,972.35			(4,394.08)		893,560.29	925,930.22	7,351.95	0.00
GNMA	2004 A/B Single Family	5.00	10/21/04	10/20/34	959,879.73	986,627.96			(4,655.12)		955,224.61	989,833.33	7,860.49	0.00
GNMA	2004 A/B Single Family	4.49	10/21/04	10/20/34	1,376,487.02	1,393,315.80			(7,244.92)		1,369,242.10	1,394,082.49	8,011.61	0.00
GNMA	2004 A/B Single Family	5.00	10/28/04	10/20/34	331,723.80	340,969.41			(1,621.73)		330,102.07	342,064.06	2,716.38	0.00
GNMA	2004 A/B Single Family	4.49	10/28/04	10/20/34	604,969.70	612,369.10			(2,947.79)		602,021.91	612,947.34	3,526.03	0.00
GNMA	2004 A/B Single Family	4.49	11/04/04	11/20/34	1,744,104.00	1,765,453.94			(8,834.19)		1,735,269.81	1,766,777.30	10,157.55	0.00
GNMA	2004 A/B Single Family	4.49	11/10/04	11/20/34	965,028.70	976,845.71			(5,655.92)		959,372.78	976,797.10	5,607.31	0.00
GNMA	2004 A/B Single Family	5.00	11/10/04	10/20/34	505,627.81	519,725.61			(2,303.60)		503,324.21	521,568.02	4,146.01	0.00
GNMA	2004 A/B Single Family	4.49	11/18/04	11/20/34	665,008.73	673,156.01			(3,798.81)		661,209.92	673,223.03	3,865.83	0.00
GNMA	2004 A/B Single Family	5.00	11/23/04	11/20/34	385,112.58	396,822.81			(1,729.21)		383,383.37	398,271.13	3,177.53	0.00
GNMA	2004 A/B Single Family	4.49	11/23/04	11/20/34	1,202,029.67	1,216,761.14			(5,930.16)		1,196,099.51	1,217,834.39	7,003.41	0.00
GNMA	2004 A/B Single Family	5.00	12/23/04	12/20/34	388,312.21	399,155.55			(2,059.94)		386,252.27	400,269.17	3,173.56	0.00
GNMA	2004 A/B Single Family	4.49	12/23/04	12/20/34	487,335.77	493,321.73			(2,714.18)		484,621.59	493,441.30	2,833.75	0.00
GNMA	2004 A/B Single Family	5.00	12/29/04	12/20/34	420,588.68	432,335.50			(1,843.47)		418,745.21	433,943.44	3,451.41	0.00
GNMA	2004 A/B Single Family	4.49	12/29/04	12/20/34	104,778.07	106,355.12			(492.43)		104,285.64	106,556.36	693.67	0.00
GNMA	2004 A/B Single Family	4.49	01/06/05	01/20/35	687,445.55	695,102.06			(4,322.56)		683,122.99	694,573.87	3,794.37	0.00
GNMA	2004 A/B Single Family	4.49	01/13/05	01/20/35	626,703.56	633,687.35			(3,946.95)		622,756.61	633,198.75	3,458.35	0.00
GNMA	2004 A/B Single Family	4.49	01/19/05	01/20/35	452,376.65	457,419.62			(2,337.25)		450,039.40	457,587.78	2,505.41	0.00
GNMA	2004 A/B Single Family	4.49	01/28/05	01/20/35	344,559.73	348,403.26			(1,636.63)		342,923.10	348,676.98	1,910.35	0.00
GNMA	2004 A/B Single Family	4.49	02/03/05	02/20/35	1,603,578.61	1,621,481.11			(7,860.42)		1,595,718.19	1,622,507.34	8,886.65	0.00
GNMA	2004 A/B Single Family	4.49	02/10/05	02/20/35	1,236,248.68	1,253,510.14			(5,828.26)		1,230,420.42	1,255,500.40	7,818.52	0.00
GNMA	2004 A/B Single Family	5.00	02/10/05	02/20/35	1,369,168.74	1,406,940.98			(98,630.30)		1,270,538.44	1,316,167.29	7,856.61	0.00
GNMA	2004 A/B Single Family	4.49	02/17/05	02/20/35	533,762.79	539,727.76			(3,080.74)		530,682.05	539,597.20	2,950.18	0.00
GNMA	2004 A/B Single Family	5.00	02/17/05	01/20/35	336,067.43	345,339.44			(1,474.14)		334,593.29	346,610.22	2,744.92	0.00
GNMA	2004 A/B Single Family	4.49	02/24/05	02/20/35	244,859.15	247,596.78			(1,200.33)		243,658.82	247,753.40	1,356.95	0.00
GNMA	2004 A/B Single Family	5.00	03/03/05	02/20/35	399,755.49	410,790.45			(1,802.57)		397,952.92	412,251.24	3,263.36	0.00
GNMA	2004 A/B Single Family	4.49	03/03/05	03/20/35	251,550.90	255,068.39			(1,289.23)		250,261.67	255,367.97	1,588.81	0.00
GNMA	2004 A/B Single Family	5.00	03/10/05	03/20/35	180,797.89	186,244.40			(772.07)		180,025.82	186,958.72	1,486.39	0.00
GNMA	2004 A/B Single Family	4.49	03/17/05	03/20/35	435,324.19	440,199.73			(2,725.66)		432,598.53	439,877.02	2,402.95	0.00
GNMA	2004 A/B Single Family	5.00	03/24/05	03/20/35	295,785.83	303,956.91			(1,279.91)		294,505.92	305,093.58	2,416.58	0.00
GNMA	2004 A/B Single Family	4.49	03/24/05	03/20/35	96,061.93	97,406.76			(912.77)		95,149.16	97,092.13	598.14	0.00
GNMA	2004 A/B Single Family	5.00	03/30/05	03/20/35	176,909.02	182,241.13			(804.98)		176,104.04	182,888.87	1,452.72	0.00
GNMA	2004 A/B Single Family	5.00	04/07/05	04/20/35	126,999.62	130,828.77			(540.22)		126,459.40	131,332.75	1,044.20	0.00
GNMA	2004 A/B Single Family	4.49	04/07/05	04/20/35	648,229.96	655,503.22			(3,284.65)		644,945.31	655,809.11	3,590.54	0.00
GNMA	2004 A/B Single Family	5.00	04/21/05	04/20/35	452,488.99	465,000.72			(1,986.81)		450,502.18	466,709.76	3,695.85	0.00

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GNMA	2004 A/B Single Family	4.49	04/21/05	04/20/35	312,115.13	315,620.63			(1,558.30)		310,556.83	315,791.52	1,729.19	0.00
GNMA	2004 A/B Single Family	5.00	04/28/05	04/20/35	268,701.49	276,807.60			(1,270.55)		267,430.94	277,741.63	2,204.38	0.00
GNMA	2004 A/B Single Family	5.00	05/05/05	05/20/35	129,926.34	133,847.10			(577.74)		129,348.60	134,336.80	1,067.44	0.00
GNMA	2004 A/B Single Family	4.49	05/05/05	04/20/35	771,972.96	780,651.96			(4,344.15)		767,628.81	780,576.47	4,268.66	0.00
GNMA	2004 A/B Single Family	5.00	05/12/05	04/20/35	212,424.72	218,835.46			(919.65)		211,505.07	219,661.78	1,745.97	0.00
GNMA	2004 A/B Single Family	4.49	05/12/05	04/20/35	466,833.65	473,388.71			(2,151.51)		464,682.14	474,190.69	2,953.49	0.00
GNMA	2004 A/B Single Family	5.00	06/03/05	05/20/35	124,149.48	127,898.88			(537.40)		123,612.08	128,381.91	1,020.43	0.00
GNMA	2004 A/B Single Family	5.00	07/07/05	06/20/35	215,323.76	221,833.40			(912.83)		214,410.93	222,691.16	1,770.59	0.00
GNMA	2004 A/B Single Family	4.49	07/07/05	06/20/35	325,835.87	330,428.10			(1,499.13)		324,336.74	330,990.50	2,061.53	0.00
GNMA	2004 A/B Single Family	5.00	05/26/05	05/20/35	124,202.82	127,953.06			(533.13)		123,669.69	128,440.97	1,021.04	0.00
GNMA	2004 A/B Single Family	4.49	05/26/05	05/20/35	270,755.83	274,561.81			(1,339.62)		269,416.21	274,933.29	1,711.10	0.00
GNMA	2004 A/B Single Family	5.00	06/02/05	05/20/35	253,722.79	261,385.13			(1,274.19)		252,448.60	262,189.59	2,078.65	0.00
GNMA	2004 A/B Single Family	4.49	06/02/05	05/20/35	205,411.14	208,299.62			(1,466.92)		203,944.22	208,121.63	1,288.93	0.00
GNMA	2004 A/B Single Family	4.49	06/10/05	04/20/35	210,895.39	213,272.43			(2,273.41)		208,621.98	212,146.82	1,147.80	0.00
GNMA	2004 A/B Single Family	5.00	06/15/05	06/20/35	292,599.03	301,439.66			(1,666.64)		290,932.39	302,162.59	2,389.55	0.00
GNMA	2004 A/B Single Family	4.49	06/23/05	06/20/35	256,890.76	260,508.41			(114,102.36)		142,788.38	145,716.06	(689.97)	0.00
GNMA	2004 A/B Single Family	4.49	09/08/05	09/20/35	151,123.49	153,262.49			(708.35)		150,415.14	153,510.03	955.89	0.00
GNMA	2004 A/B Single Family	5.00	09/15/05	09/20/35	537,871.75	552,817.99			(2,327.20)		535,544.55	554,885.55	4,394.76	0.00
GNMA	2004 A/B Single Family	5.00	09/22/05	09/20/35	190,174.61	195,937.78			(780.22)		189,394.39	196,722.41	1,564.85	0.00
GNMA	2004 A/B Single Family	4.49	07/21/05	07/20/35	338,342.08	343,115.41			(1,594.36)		336,747.72	343,660.95	2,139.90	0.00
GNMA	2004 A/B Single Family	5.00	07/21/05	07/20/35	21,860.18	22,521.37			(97.18)		21,763.00	22,603.78	179.59	0.00
GNMA	2004 A/B Single Family	4.49	07/28/05	07/20/35	2,944,622.82	2,977,956.41			(15,580.21)		2,929,042.61	2,978,675.37	16,299.17	0.00
GNMA	2004 A/B Single Family	5.00	08/04/05	08/20/35	109,395.58	112,706.00			(458.66)		108,936.92	113,147.22	899.88	0.00
GNMA	2004 A/B Single Family	4.49	08/11/05	07/20/35	135,436.54	137,349.64			(612.03)		134,824.51	137,594.73	857.12	0.00
GNMA	2004 A/B Single Family	5.00	08/11/05	08/20/35	830,562.15	853,614.91			(139,747.38)		690,814.77	715,740.91	1,873.38	0.00
GNMA	2004 A/B Single Family	4.49	08/30/05	08/20/35	411,914.84	416,589.96			(2,726.51)		409,188.33	416,134.21	2,270.76	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	118,338.46	121,922.08			(505.94)		117,832.52	122,389.08	972.94	0.00
GNMA	2004 A/B Single Family	5.00	08/30/05	08/20/35	199,598.02	205,642.41			(974.33)		198,623.69	206,304.44	1,636.36	0.00
GNMA	2004 A/B Single Family	5.00	10/27/05	10/20/35	630,466.47	649,592.81			(2,633.63)		627,832.84	652,145.22	5,186.04	0.00
GNMA	2004 A/B Single Family	4.49	10/27/05	09/20/35	206,761.82	209,696.58			(958.92)		205,802.90	210,045.71	1,308.05	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	143,247.13	147,589.07			(633.02)		142,614.11	148,133.01	1,176.96	0.00
GNMA	2004 A/B Single Family	5.00	09/29/05	09/20/35	164,845.63	169,842.25			(691.43)		164,154.20	170,506.66	1,355.84	0.00
GNMA	2004 A/B Single Family	4.49	09/29/05	09/20/35	199,539.31	202,367.07			(929.87)		198,609.44	202,699.44	1,262.24	0.00
GNMA	2004 A/B Single Family	5.00	12/08/05	12/20/35	458,782.85	471,567.07			(88,319.34)		370,463.51	383,871.70	623.97	0.00
GNMA	2004 A/B Single Family	5.00	12/15/05	12/20/35	1,425,978.98	1,465,722.03			(93,648.25)		1,332,330.73	1,380,560.17	8,486.39	0.00
GNMA	2004 A/B Single Family	5.00	11/03/05	11/20/35	177,304.54	182,684.85			(826.36)		176,478.18	183,313.82	1,455.33	0.00
GNMA	2004 A/B Single Family	5.00	11/10/05	11/20/35	95,268.77	98,160.30			(817.80)		94,450.97	98,109.91	767.41	0.00
GNMA	2004 A/B Single Family	4.49	11/17/05	10/20/35	237,261.38	240,633.67			(1,242.30)		236,019.08	240,889.44	1,498.07	0.00
GNMA	2004 A/B Single Family	5.00	11/17/05	11/20/35	912,063.51	939,750.64			(3,793.78)		908,269.73	943,460.90	7,504.04	0.00
GNMA	2004 A/B Single Family	5.00	11/22/05	11/20/35	162,429.88	167,361.37			(660.45)		161,769.43	168,037.74	1,336.82	0.00
GNMA	2004 A/B Single Family	4.49	11/29/05	10/20/35	121,164.24	122,887.63			(544.58)		120,619.66	123,109.94	766.89	0.00
GNMA	2004 A/B Single Family	5.00	11/29/05	11/20/35	1,447,676.85	1,491,638.41			(6,016.87)		1,441,659.98	1,497,531.09	11,909.55	0.00
GNMA	2004 A/B Single Family	5.00	12/22/05	12/20/35	1,409,931.76	1,449,236.31			(147,393.46)		1,262,538.30	1,308,247.89	6,405.04	0.00
GNMA	2004 A/B Single Family	5.00	12/29/05	12/20/35	1,363,466.91	1,401,484.63			(6,374.98)		1,357,091.93	1,406,233.27	11,123.62	0.00
GNMA	2004 A/B Single Family	4.49	12/29/05	11/20/35	206,794.57	209,163.78			(1,091.75)		205,702.82	209,216.74	1,144.71	0.00
GNMA	2004 A/B Single Family	5.00	01/05/06	01/20/36	1,356,675.41	1,397,252.27			(5,639.36)		1,351,036.05	1,402,763.21	11,150.30	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	169,684.01	171,657.64			(710.47)		168,973.54	172,358.39	1,411.22	0.00
GNMA	2004 A/B Single Family	5.00	01/12/06	01/20/36	827,810.48	852,574.67			(3,413.20)		824,397.28	855,966.19	6,804.72	0.00
GNMA	2004 A/B Single Family	4.49	01/12/06	12/20/35	88,107.60	89,364.51			(741.10)		87,366.50	89,173.93	550.52	0.00
GNMA	2004 A/B Single Family	5.00	03/09/06	03/20/36	3,593,935.40	3,692,607.48			(140,401.42)		3,453,533.98	3,577,043.45	24,837.39	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	03/20/36	771,069.52	792,234.56			(4,411.38)		766,658.14	794,071.49	6,248.31	0.00
GNMA	2004 A/B Single Family	5.00	03/02/06	01/20/36	191,427.55	193,646.21			(901.61)		190,525.94	194,334.81	1,590.21	0.00
GNMA	2004 A/B Single Family	5.00	01/19/06	01/20/36	1,395,036.41	1,436,776.54			(126,782.53)		1,268,253.88	1,316,826.14	6,832.13	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	1,372,549.96	1,410,178.08			(170,402.77)		1,202,147.19	1,245,090.85	5,315.54	0.00
GNMA	2004 A/B Single Family	5.00	01/26/06	01/20/36	199,955.74	202,279.26			(938.06)		199,017.68	203,002.15	1,660.95	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	3,237,187.39	3,260,249.19			(16,991.08)		3,220,196.31	3,269,971.21	26,713.10	0.00
GNMA	2004 A/B Single Family	4.49	02/09/06	01/20/36	170,415.62	172,711.79			(1,159.66)		169,255.96	172,586.01	1,033.88	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	02/20/36	1,299,639.66	1,338,552.50			(5,583.07)		1,294,056.59	1,343,644.19	10,674.76	0.00
GNMA	2004 A/B Single Family	5.00	02/09/06	01/20/36	114,761.60	116,093.77			(532.84)		114,228.76	116,514.31	953.38	0.00
GNMA	2004 A/B Single Family	5.00	02/16/06	02/20/36	3,409,785.22	3,503,330.73			(79,006.09)		3,330,779.13	3,449,832.35	25,507.71	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	2,554,772.67	2,631,294.97			(11,286.00)		2,543,486.67	2,640,981.11	20,972.14	0.00
GNMA	2004 A/B Single Family	5.00	02/23/06	02/20/36	1,377,998.20	1,419,272.93			(5,741.86)		1,372,256.34	1,424,856.29	11,325.22	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	459,154.00	471,786.81			(2,227.44)		456,926.56	473,294.45	3,735.08	0.00
GNMA	2004 A/B Single Family	5.00	05/11/06	05/20/36	637,455.86	656,595.75			(133,980.37)		503,475.49	522,811.15	195.77	0.00
GNMA	2004 A/B Single Family	5.00	05/18/06	05/20/36	947,133.50	973,197.07			(4,068.90)		943,064.60	976,851.70	7,723.53	0.00
GNMA	2004 A/B Single Family	5.00	03/16/06	03/20/36	1,206,097.12	1,239,216.98			(4,901.12)		1,201,196.00	1,244,162.15	9,846.29	0.00
GNMA	2004 A/B Single Family	4.49	03/23/06	02/20/36	286,556.40	290,428.01			(1,249.39)		285,307.01	290,930.89	1,752.27	0.00
GNMA	2004 A/B Single Family	5.00	03/23/06	03/20/36	1,457,804.78	1,501,507.81			(6,627.53)		1,451,177.25	1,506,840.36	11,960.08	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	158,775.13	160,610.73			(4,153.38)		154,621.75	157,708.15	1,250.80	0.00
GNMA	2004 A/B Single Family	5.00	03/30/06	03/20/36	1,152,617.36	1,187,178.43			(4,691.02)		1,147,926.34	1,191,964.77	9,477.36	0.00
GNMA	2004 A/B Single Family	5.00	04/06/06	04/20/36	1,374,466.04	1,412,237.86			(132,221.28)		1,242,244.76	1,286,703.89	6,687.31	0.00
GNMA	2004 A/B Single Family	5.00	04/13/06	04/20/36	784,364.85	807,895.36			(3,181.22)		781,183.63	811,164.01	6,449.87	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	226,441.83	229,054.96			(938.90)		225,502.93	229,999.64	1,883.58	0.00
GNMA	2004 A/B Single Family	5.00	04/20/06	04/20/36	1,479,356.44	1,523,743.97			(6,499.75)		1,472,856.69	1,529,389.89	12,145.67	0.00
GNMA	2004 A/B Single Family	5.00	04/27/06	04/20/36	1,464,990.55	1,505,275.86			(7,348.69)		1,457,641.86	1,509,835.75	11,908.58	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	1,305,003.59	1,344,180.07			(6,181.05)		1,298,822.54	1,348,696.15	10,697.13	0.00
GNMA	2004 A/B Single Family	5.00	05/05/06	05/20/36	180,515.03	182,595.46			(850.77)		179,664.26	183,244.01	1,499.32	0.00
GNMA	2004 A/B Single Family	4.49	05/25/06	04/20/36	60,456.78	61,277.06			(259.07)		60,197.71	61,387.77	369.78	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	590,737.31	606,997.13			(2,538.12)		588,199.19	609,276.27	4,817.26	0.00
GNMA	2004 A/B Single Family	5.00	05/25/06	05/20/36	137,862.85	139,449.37			(700.72)		137,162.13	139,892.68	1,144.03	0.00
GNMA	2004 A/B Single Family	5.00	06/01/06	05/20/36	1,042,366.76	1,073,682.67			(5,656.61)		1,036,710.15	1,076,542.78	8,516.72	0.00
GNMA	2004 A/B Single Family	5.00	06/08/06	06/20/36	524,120.22	539,870.74			(2,113.11)		522,007.11	542,068.10	4,310.47	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	05/20/36	221,567.49	223,659.89			(916.46)		220,651.03	224,588.55	1,845.12	0.00
GNMA	2004 A/B Single Family	5.00	06/15/06	06/20/36	846,800.77	870,125.33			(3,337.44)		843,463.33	873,704.97	6,917.08	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	998,609.32	1,028,634.48			(12,047.77)		986,561.55	1,024,491.13	7,904.42	0.00
GNMA	2004 A/B Single Family	5.00	06/27/06	06/20/36	262,923.89	265,941.43			(1,088.10)		261,835.79	267,040.34	2,187.01	0.00
GNMA	2004 A/B Single Family	5.00	07/06/06	07/20/36	1,494,141.41	1,539,081.28			(5,974.02)		1,488,167.39	1,545,397.43	12,290.17	0.00
GNMA	2004 A/B Single Family	4.49	07/06/06	06/20/36	290,976.34	294,935.93			(1,253.37)		289,722.97	295,462.22	1,779.66	0.00
GNMA	2004 A/B Single Family	5.00	07/13/06	06/20/36	494,748.47	509,630.75			(1,943.01)		492,805.46	511,758.69	4,070.95	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	07/20/36	1,112,200.78	1,145,664.44			(4,394.38)		1,107,806.40	1,150,421.79	9,151.73	0.00
GNMA	2004 A/B Single Family	5.00	07/19/06	06/20/36	66,547.35	67,309.90			(276.01)		66,271.34	67,587.35	553.46	0.00
GNMA	2004 A/B Single Family	5.00	07/27/06	07/20/36	359,596.17	369,514.79			(1,418.31)		358,177.86	371,033.49	2,937.01	0.00
GNMA	2004 A/B Single Family	5.00	08/09/06	08/20/36	401,846.68	413,945.71			(1,567.55)		400,279.13	415,685.14	3,306.98	0.00
GNMA	2004 A/B Single Family	5.00	08/16/06	06/20/36	60,337.82	61,027.76			(271.73)		60,066.09	61,257.42	501.39	0.00
GNMA	2004 A/B Single Family	5.00	08/23/06	08/20/36	852,252.90	877,922.75			(4,679.90)		847,573.00	880,204.29	6,961.44	0.00
GNMA	2004 A/B Single Family	5.00	09/06/06	08/20/36	741,607.78	762,090.96			(3,051.41)		738,556.37	765,092.20	6,052.65	0.00
GNMA	2004 A/B Single Family	5.00	09/12/06	08/20/36	589,567.78	607,335.97			(2,366.37)		587,201.41	609,818.93	4,849.33	0.00
GNMA	2004 A/B Single Family	4.49	09/20/06	08/20/36	121,737.99	123,402.94			(533.65)		121,204.34	123,613.69	744.40	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	63,251.75	63,125.67			(405.17)		62,846.58	63,249.75	529.25	0.00
GNMA	2004 A/B Single Family	5.00	09/20/06	08/20/36	560,330.41	575,813.13			(2,237.56)		558,092.85	578,151.18	4,575.61	0.00
GNMA	2004 A/B Single Family	5.00	09/26/06	09/20/36	223,901.44	230,652.33			(1,178.62)		222,722.82	231,304.58	1,830.87	0.00
GNMA	2004 A/B Single Family	5.00	10/17/06	10/20/36	878,676.00	905,187.40			(9,676.69)		868,999.31	902,501.05	6,990.34	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	925,589.10	953,538.08			(4,029.01)		921,560.09	957,110.35	7,601.28	0.00
GNMA	2004 A/B Single Family	4.49	11/14/06	10/20/36	187,362.71	189,934.75			(1,067.30)		186,295.41	190,008.25	1,140.80	0.00
GNMA	2004 A/B Single Family	5.00	11/14/06	10/20/36	65,109.77	65,848.61			(260.65)		64,849.12	66,129.62	541.66	0.00
GNMA	2004 A/B Single Family	5.00	11/28/06	11/20/36	547,665.19	564,209.82			(2,112.97)		545,552.22	566,604.97	4,508.12	0.00
GNMA	2004 A/B Single Family	5.00	12/12/06	11/20/36	199,295.85	205,318.94			(763.84)		198,532.01	206,195.82	1,640.72	0.00
GNMA	2004 A/B Single Family	5.00	01/09/07	08/20/36	72,172.80	72,988.54			(289.24)		71,883.56	73,299.76	600.46	0.00
GNMA	2004 A/B Single Family	5.00	02/13/07	01/20/37	417,387.34	430,160.65			(1,573.49)		415,813.85	432,174.98	3,587.82	0.00
GNMA	2004 A/B Single Family	5.00	03/20/07	03/20/36	81,044.07	83,499.02			(320.41)		80,723.66	83,845.20	666.59	0.00
GNMA	2004 A/B Single Family	5.00	04/10/07	02/20/37	197,495.31	203,549.12			(767.32)		196,727.99	204,478.60	1,696.80	0.00
GNMA	2004 A/B Single Family	5.00	05/08/07	04/20/37	71,511.82	72,334.87			(279.11)		71,232.71	72,676.09	620.33	0.00
GNMA	2004 A/B Single Family	4.49	07/03/07	05/20/37	200,187.85	203,024.41			(1,093.78)		199,094.07	202,943.04	1,012.41	0.00
GNMA	2004 A/B Single Family	4.49	08/23/07	08/20/37	391,963.35	397,517.28			(1,606.99)		390,356.36	397,903.29	1,993.00	0.00
FNMA	2004 A/B Single Family	4.49	08/05/04	07/01/34	425,563.09	429,081.76			(3,843.21)		421,719.88	427,929.14	2,690.59	0.00
FNMA	2004 A/B Single Family	4.49	08/12/04	08/01/34	202,650.09	204,326.48			(1,874.29)		200,775.80	203,732.77	1,280.58	0.00
FNMA	2004 A/B Single Family	4.49	08/26/04	08/01/34	238,526.38	240,500.76			(1,331.18)		237,195.20	240,689.76	1,520.18	0.00
FNMA	2004 A/B Single Family	4.49	09/02/04	08/01/34	233,711.96	235,647.19			(1,134.23)		232,577.73	236,004.97	1,492.01	0.00
FNMA	2004 A/B Single Family	4.49	10/28/04	10/01/34	282,501.68	284,848.07			(1,361.45)		281,140.23	285,290.25	1,803.63	0.00
FNMA	2004 A/B Single Family	5.00	10/28/04	10/01/34	169,504.63	173,649.24			(753.97)		168,750.66	173,988.15	1,092.88	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2004 A/B Single Family	4.49	11/10/04	10/01/34	345,340.59	348,210.29			(3,970.91)		341,369.68	346,410.15	2,170.77	0.00
FNMA	2004 A/B Single Family	5.00	11/23/04	11/01/34	264,570.98	271,043.08			(1,205.81)		263,365.17	271,542.19	1,704.92	0.00
FNMA	2004 A/B Single Family	4.49	02/10/05	01/01/35	148,486.51	149,581.78			(720.33)		147,766.18	149,744.84	883.39	0.00
FNMA	2004 A/B Single Family	5.00	02/10/05	02/01/35	374,269.45	383,438.54			(1,666.96)		372,602.49	384,184.63	2,413.05	0.00
FNMA	2004 A/B Single Family	5.00	03/29/05	04/01/35	216,741.42	221,921.03			(1,428.55)		215,312.87	221,874.45	1,381.97	0.00
FNMA	2004 A/B Single Family	4.49	04/21/05	04/01/35	332,069.73	334,529.92			(1,897.65)		330,172.08	334,603.98	1,971.71	0.00
FNMA	2004 A/B Single Family	4.49	06/10/05	05/01/35	270,087.99	272,094.71			(1,266.01)		268,821.98	272,436.12	1,607.42	0.00
FNMA	2004 A/B Single Family	5.00	06/29/05	06/01/35	282,325.41	289,083.65			(1,346.44)		280,978.97	289,552.75	1,815.54	0.00
FNMA	2004 A/B Single Family	4.49	07/14/05	04/01/35	154,380.95	155,529.70			(7,994.13)		146,386.82	148,356.54	820.97	0.00
FNMA	2004 A/B Single Family	5.00	07/14/05	07/01/35	72,180.35	73,908.70			(302.80)		71,877.55	74,071.34	465.44	0.00
FNMA	2004 A/B Single Family	5.00	09/22/05	09/01/35	264,856.43	271,206.58			(1,105.52)		263,750.91	271,809.09	1,708.03	0.00
FNMA	2004 A/B Single Family	4.49	10/06/05	09/01/35	379,230.74	382,067.96			(1,865.64)		377,365.10	382,458.13	2,255.81	0.00
FNMA	2004 A/B Single Family	5.00	10/20/05	09/01/35	313,842.95	321,371.14			(88,365.15)		225,457.80	232,348.62	(637.37)	0.00
FNMA	2004 A/B Single Family	5.00	11/17/05	10/01/35	305,423.71	312,753.71			(1,517.48)		303,906.23	313,198.49	1,962.26	0.00
FNMA	2004 A/B Single Family	5.00	12/15/05	12/01/35	292,270.86	299,289.41			(1,231.69)		291,039.17	299,942.21	1,884.49	0.00
FNMA	2004 A/B Single Family	4.49	12/29/05	12/01/35	396,352.30	398,324.93			(1,812.68)		393,539.62	398,865.76	2,353.51	0.00
FNMA	2004 A/B Single Family	5.00	12/29/05	12/01/35	915,336.94	937,322.42			(4,107.16)		911,229.78	939,109.48	5,894.22	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	01/01/36	258,248.24	264,452.97			(1,938.12)		256,309.12	264,152.93	1,639.08	0.00
FNMA	2004 A/B Single Family	5.00	01/12/06	12/01/35	122,071.38	122,795.99			(524.24)		121,547.14	123,074.39	802.64	0.00
FNMA	2004 A/B Single Family	5.00	01/26/06	01/01/36	470,359.71	481,663.09			(52,656.30)		417,703.41	430,488.53	1,481.74	0.00
FNMA	2004 A/B Single Family	5.00	02/09/06	01/01/36	382,878.92	391,720.93			(1,919.80)		380,959.12	392,262.31	2,461.18	0.00
FNMA	2004 A/B Single Family	5.00	02/16/06	02/01/36	523,784.44	535,882.60			(2,664.81)		521,119.63	536,583.59	3,365.80	0.00
FNMA	2004 A/B Single Family	5.00	02/23/06	02/01/36	926,510.50	947,913.52			(9,169.69)		917,340.81	944,565.28	5,821.45	0.00
FNMA	2004 A/B Single Family	5.00	03/09/06	02/01/36	371,254.02	380,182.63			(1,544.67)		369,709.35	381,032.35	2,394.39	0.00
FNMA	2004 A/B Single Family	5.00	03/16/06	03/01/36	734,958.51	751,943.32			(3,898.41)		731,060.10	752,762.98	4,718.07	0.00
FNMA	2004 A/B Single Family	5.00	03/23/06	03/01/36	479,513.75	490,596.76			(76,181.48)		403,332.27	415,307.20	891.92	0.00
FNMA	2004 A/B Single Family	5.00	03/30/06	03/01/36	619,094.43	633,405.48			(2,509.70)		616,584.73	634,893.07	3,997.29	0.00
FNMA	2004 A/B Single Family	5.00	04/13/06	03/01/36	212,201.51	217,107.87			(851.38)		211,350.13	217,626.86	1,370.37	0.00
FNMA	2004 A/B Single Family	5.00	04/20/06	04/01/36	300,711.02	307,665.06			(1,229.43)		299,481.59	308,376.92	1,941.29	0.00
FNMA	2004 A/B Single Family	5.00	04/27/06	03/01/36	300,016.32	301,475.86			(2,240.56)		297,775.76	301,198.35	1,963.05	0.00
FNMA	2004 A/B Single Family	5.00	05/05/06	04/01/36	277,241.94	283,654.96			(1,117.54)		276,124.40	284,327.67	1,790.25	0.00
FNMA	2004 A/B Single Family	5.00	05/11/06	05/01/36	243,457.32	249,089.86			(1,829.42)		241,627.90	248,807.33	1,546.89	0.00
FNMA	2004 A/B Single Family	5.00	06/27/06	06/01/36	447,957.53	458,330.05			(1,940.19)		446,017.34	459,278.97	2,889.11	0.00
FNMA	2004 A/B Single Family	5.00	08/09/06	07/01/36	257,241.90	263,203.40			(1,041.66)		256,200.24	263,822.72	1,660.98	0.00
FNMA	2004 A/B Single Family	4.49	08/23/06	06/01/36	75,665.73	76,214.27			(348.55)		75,317.18	76,312.50	446.78	0.00
FNMA	2004 A/B Single Family	5.00	09/20/06	07/01/36	188,255.61	192,621.46			(844.21)		187,411.40	192,990.38	1,213.13	0.00
FNMA	2004 A/B Single Family	5.00	10/17/06	09/01/36	497,864.76	509,417.45			(2,910.78)		494,953.98	509,694.72	3,188.05	0.00
FNMA	2004 A/B Single Family	5.00	11/14/06	08/01/36	60,913.29	61,192.97			(247.23)		60,666.06	61,346.64	400.90	0.00
FNMA	2004 A/B Single Family	5.00	11/28/06	10/01/36	197,238.63	201,819.10			(766.99)		196,471.64	202,326.62	1,274.51	0.00
FNMA	2004 A/B Single Family	5.00	12/27/06	11/01/36	355,396.59	363,654.71			(99,169.92)		256,226.67	263,865.84	(618.95)	0.00
FNMA	2004 A/B Single Family	5.00	02/13/07	02/01/37	472,811.08	483,808.17			(1,813.16)		470,997.92	485,051.02	3,056.01	0.00
FNMA	2004 A/B Single Family	5.00	03/20/07	01/01/37	146,717.02	147,334.26			(1,094.08)		145,622.94	147,209.09	968.91	0.00
FNMA	2004 A/B Single Family	5.00	04/10/07	03/01/37	58,053.91	59,393.37			(220.92)		57,832.99	59,551.27	378.82	0.00
FNMA	2004 A/B Single Family	5.00	05/08/07	02/01/37	71,348.95	72,992.53			(297.03)		71,051.92	73,160.30	464.80	0.00
FNMA	2004 A/B Single Family	4.49	05/22/07	04/01/37	230,454.81	232,355.48			(1,044.63)		229,410.18	232,449.64	1,138.79	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	07/01/36	83,065.84	83,416.54			(339.00)		82,726.84	83,624.48	546.94	0.00
FNMA	2004 A/B Single Family	5.00	08/23/07	08/01/37	191,096.26	195,507.53			(750.72)		190,345.54	196,003.26	1,246.45	0.00
FNMA	2004 A/B Single Family	4.49	08/23/07	08/01/37	726,346.18	732,366.11			(5,511.31)		720,834.87	730,415.32	3,560.52	0.00
	2004 A/B Single Family Total				151,573,740.95	154,469,072.53	4,338,796.65	(9,545,404.56)	(2,540,355.95)	0.00	143,826,777.09	147,656,625.87	934,517.20	0.00
Repo Agmt	2004 CDEF Single Family	0.18	05/29/09	06/01/09	484.75	484.75	0.13				484.88	484.88	-	0.00
Repo Agmt	2004 CDEF Single Family	0.18	05/29/09	06/01/09	697,712.37	697,712.37		(697,581.93)			130.44	130.44	-	0.00
Repo Agmt	2004 CDEF Single Family	0.18	05/29/09	06/01/09	3,012,490.06	3,012,490.06		(3,012,485.32)			4.74	4.74	-	0.00
Repo Agmt	2004 CDEF Single Family	0.18	05/29/09	06/01/09	0.34	0.34	0.00				0.34	0.34	-	0.00
GICs	2004 CDEF Single Family	3.80	12/16/04	03/01/36			1,863,698.85				1,863,698.85	1,863,698.85	-	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	07/20/35	25,781.80	26,114.56			(122.87)		25,658.93	26,134.26	142.57	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	14,553.76	14,741.91			(66.92)		14,486.84	14,755.53	80.54	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	35,942.51	36,409.48			(162.42)		35,780.09	36,446.00	198.94	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	21,321.33	21,598.35			(95.83)		21,225.50	21,620.54	118.02	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	136,450.73	138,219.27			(3,211.48)		133,239.25	135,714.77	706.98	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	10/06/05	09/20/35	41,601.60	42,141.09			(192.89)		41,408.71	42,178.35	230.15	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	28,613.96	28,985.53			(2,045.03)		26,568.93	27,063.23	122.73	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	12/20/35	24,111.43	24,425.81			(107.28)		24,004.15	24,452.03	133.50	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	32,646.17	33,163.43			(3,372.33)		29,273.84	29,925.51	134.41	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	8,271.56	8,402.26			(42.57)		8,228.99	8,411.81	52.12	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	11/20/35	41,180.17	41,831.10			(237.53)		40,942.64	41,852.57	259.00	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	29,443.74	29,826.97			(145.91)		29,297.83	29,843.78	162.72	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	15,375.34	15,575.55			(78.85)		15,296.49	15,581.62	84.92	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	23,126.35	23,492.35			(109.91)		23,016.44	23,528.40	145.96	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	31,956.49	32,463.03			(154.25)		31,802.24	32,510.44	201.66	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	55,052.51	55,771.44			(284.08)		54,768.43	55,791.40	304.04	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	34,390.83	34,811.46			(165.95)		34,224.88	34,828.53	183.02	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	34,229.05	34,744.41			(154.30)		34,074.75	34,798.90	208.79	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	31,754.23	32,144.62			(180.85)		31,573.38	32,132.29	168.52	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	39,050.90	39,530.76			(183.54)		38,867.36	39,555.13	207.91	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	19,292.37	19,528.58			(97.65)		19,194.72	19,533.52	102.59	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	25,960.54	26,278.55			(125.88)		25,834.66	26,290.86	138.19	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	02/20/36	59,311.97	60,039.16			(2,857.36)		56,454.61	57,452.08	270.28	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	25,155.57	25,464.19			(2,787.64)		22,367.93	22,763.30	86.75	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	35,353.70	35,787.66			(187.60)		35,166.10	35,787.90	187.84	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	38,882.26	39,359.80			(196.45)		38,685.81	39,370.15	206.80	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	04/20/36	18,714.21	18,945.57			(92.51)		18,621.70	18,952.64	99.58	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	8,411.09	8,538.81			(46.14)		8,364.95	8,543.81	51.14	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	22,624.71	22,904.61			(3,693.72)		18,930.99	19,267.56	56.67	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	05/20/36	9,177.93	9,317.37			(53.89)		9,124.04	9,319.19	55.71	0.00
GNMA	2004 CDEF Single Family	4.49	03/16/06	03/20/36	15,890.85	16,131.16			(70.82)		15,820.03	16,157.27	96.93	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	39,917.63	40,409.03			(177.88)		39,739.75	40,443.85	212.70	0.00
GNMA	2004 CDEF Single Family	4.49	03/30/06	03/20/36	24,531.95	24,834.13			(110.00)		24,421.95	24,854.86	130.73	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	36,199.96	36,646.09			(2,590.73)		33,609.23	34,205.16	149.80	0.00
GNMA	2004 CDEF Single Family	4.49	04/13/06	03/20/36	23,172.30	23,458.09			(296.72)		22,875.58	23,281.41	120.04	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	40,191.21	40,687.24			(193.27)		39,997.94	40,707.92	213.95	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	13,779.16	13,949.31			(88.09)		13,691.07	13,934.18	72.96	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	34,726.48	35,253.49			(5,521.04)		29,205.44	29,829.61	97.16	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	21,547.17	21,813.91			(97.81)		21,449.36	21,830.88	114.78	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	06/20/36	28,221.53	28,650.74			(130.72)		28,090.81	28,692.09	172.07	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	06/20/36	33,043.64	33,453.26			(147.77)		32,895.87	33,481.55	176.06	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	24,457.62	24,829.89			(113.01)		24,344.61	24,865.99	149.11	0.00
GNMA	2004 CDEF Single Family	4.49	06/27/06	06/20/36	39,412.32	40,012.69			(4,561.07)		34,851.25	35,598.08	146.46	0.00
GNMA	2004 CDEF Single Family	4.49	07/06/06	07/20/36	17,132.45	17,393.61			(78.25)		17,054.20	17,419.85	104.49	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	25,818.53	26,212.25			(116.02)		25,702.51	26,253.74	157.51	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	40,221.69	40,721.84			(189.08)		40,032.61	40,746.89	214.13	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	25,760.82	26,154.08			(110.82)		25,650.00	26,200.50	157.24	0.00
GNMA	2004 CDEF Single Family	4.49	08/02/06	08/20/36	16,032.73	16,277.63			(68.69)		15,964.04	16,306.83	97.89	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	08/20/36	40,095.27	40,708.00			(1,848.47)		38,246.80	39,068.26	208.73	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	07/20/36	20,768.56	21,027.47			(1,696.29)		19,072.27	19,413.18	82.00	0.00
GNMA	2004 CDEF Single Family	4.49	08/23/06	07/20/36	16,490.86	16,743.04			(73.20)		16,417.66	16,770.46	100.62	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	18,491.74	18,774.82			(79.58)		18,412.16	18,808.10	112.86	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	08/20/36	11,085.39	11,255.15			(46.63)		11,038.76	11,276.21	67.69	0.00
GNMA	2004 CDEF Single Family	4.49	09/26/06	09/20/36	12,960.38	13,159.08			(56.08)		12,904.30	13,182.10	79.10	0.00
GNMA	2004 CDEF Single Family	4.49	10/17/06	10/20/36	22,745.37	23,094.61			(100.94)		22,644.43	23,132.46	138.79	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	18,550.19	18,835.55			(2,244.47)		16,305.72	16,657.60	66.52	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	10/20/36	4,698.77	4,771.10			(19.64)		4,679.13	4,780.15	28.69	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	10/20/36	5,388.47	5,471.52			(22.51)		5,365.96	5,481.92	32.91	0.00
GNMA	2004 CDEF Single Family	4.49	01/16/07	12/20/36	5,320.80	5,403.00			(21.97)		5,298.83	5,413.53	32.50	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	2,794.19	2,838.36			(11.53)		2,782.66	2,844.02	17.19	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/07	01/20/37	6,763.30	6,869.60			(27.63)		6,735.67	6,876.27	34.30	0.00
GNMA	2004 CDEF Single Family	4.49	02/20/07	02/20/37	4,919.12	4,996.48			(22.08)		4,897.04	4,999.31	24.91	0.00
GNMA	2004 CDEF Single Family	4.49	03/20/07	01/20/37	4,814.64	4,890.45			(19.66)		4,794.98	4,895.22	24.43	0.00
GNMA	2004 CDEF Single Family	4.49	04/24/07	03/20/37	11,328.38	11,507.26			(46.69)		11,281.69	11,517.99	57.42	0.00
GNMA	2004 CDEF Single Family	4.49	04/10/07	02/20/37	5,827.70	5,919.63			(23.76)		5,803.94	5,925.42	29.55	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	05/22/07	04/20/37	8,334.75	8,443.02			(33.47)		8,301.28	8,444.20	34.65	0.00
GNMA	2004 CDEF Single Family	4.49	06/05/07	05/20/37	7,010.16	7,121.15			(28.05)		6,982.11	7,128.65	35.55	0.00
GNMA	2004 CDEF Single Family	4.49	07/03/07	06/20/37	5,677.87	5,767.96			(22.48)		5,655.39	5,774.29	28.81	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/07	09/20/37	5,145.61	5,230.55			(19.94)		5,125.67	5,236.71	26.10	0.00
GNMA	2004 CDEF Single Family	4.49	09/25/07	04/20/37	2,519.36	2,560.77			(14.90)		2,504.46	2,558.53	12.66	0.00
GNMA	2004 CDEF Single Family	4.49	12/11/07	08/20/37	3,005.23	3,054.89			(11.70)		2,993.53	3,058.42	15.23	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	8,691.76	8,826.10			(32.92)		8,658.84	8,841.79	48.61	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/08	01/20/38	2,626.26	2,659.35			(10.02)		2,616.24	2,661.59	12.26	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	03/20/38	8,001.16	8,125.35			(35.49)		7,965.67	8,134.49	44.63	0.00
FNMA	2004 CDEF Single Family	4.49	10/20/05	10/01/35	3,415.17	3,441.51			(15.72)		3,399.45	3,446.13	20.34	0.00
FNMA	2004 CDEF Single Family	4.49	11/10/05	11/01/35	2,498.02	2,517.33			(18.74)		2,479.28	2,513.36	14.77	0.00
FNMA	2004 CDEF Single Family	4.49	12/15/05	12/01/35	4,232.70	4,265.45			(18.73)		4,213.97	4,271.92	25.20	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	7,382.09	7,439.32			(42.19)		7,339.90	7,440.94	43.81	0.00
FNMA	2004 CDEF Single Family	4.49	02/09/06	02/01/36	4,465.36	4,498.39			(23.89)		4,441.47	4,500.81	26.31	0.00
FNMA	2004 CDEF Single Family	4.49	02/23/06	01/01/36	5,213.55	5,252.10			(23.63)		5,189.92	5,259.25	30.78	0.00
FNMA	2004 CDEF Single Family	4.49	03/16/06	03/01/36	8,143.55	8,203.90			(59.87)		8,083.68	8,191.80	47.77	0.00
FNMA	2004 CDEF Single Family	4.49	04/06/06	03/01/36	5,692.41	5,734.65			(24.81)		5,667.60	5,743.46	33.62	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	8,023.09	8,082.69			(36.46)		7,986.63	8,093.61	47.38	0.00
FNMA	2004 CDEF Single Family	4.49	05/11/06	04/01/36	6,261.98	6,308.50			(40.76)		6,221.22	6,304.54	36.80	0.00
FNMA	2004 CDEF Single Family	4.49	06/08/06	04/01/36	5,908.42	5,952.42			(26.08)		5,882.34	5,961.23	34.89	0.00
FNMA	2004 CDEF Single Family	4.49	06/27/06	06/01/36	6,095.90	6,141.37			(26.22)		6,069.68	6,151.16	36.01	0.00
FNMA	2004 CDEF Single Family	4.49	07/13/06	06/01/36	7,505.43	7,561.45			(34.51)		7,470.92	7,571.24	44.30	0.00
FNMA	2004 CDEF Single Family	4.49	07/19/06	07/01/36	11,435.56	11,520.96			(50.31)		11,385.25	11,538.17	67.52	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	10,317.58	10,394.68			(44.44)		10,273.14	10,411.19	60.95	0.00
FNMA	2004 CDEF Single Family	4.49	08/09/06	07/01/36	7,741.81	7,799.69			(34.30)		7,707.51	7,811.10	45.71	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	5,978.40	6,023.21			(25.77)		5,952.63	6,032.76	35.32	0.00
FNMA	2004 CDEF Single Family	4.49	10/17/06	09/01/36	5,518.14	5,559.56			(42.12)		5,476.02	5,549.79	32.35	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	10/01/36	8,485.94	8,549.77			(35.58)		8,450.36	8,564.32	50.13	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/06	10/01/36	5,939.61	5,984.31			(27.18)		5,912.43	5,992.19	35.06	0.00
FNMA	2004 CDEF Single Family	4.49	12/12/06	11/01/36	7,956.82	8,016.75			(1,302.92)		6,653.90	6,743.71	29.88	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	11/01/36	1,184.05	1,193.02			(27.35)		1,156.70	1,172.36	6.69	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/07	01/01/37	1,248.57	1,259.15			(5.14)		1,243.43	1,260.19	6.18	0.00
FNMA	2004 CDEF Single Family	4.49	03/20/07	02/01/37	3,500.10	3,529.83			(14.63)		3,485.47	3,532.50	17.30	0.00
FNMA	2004 CDEF Single Family	4.49	04/10/07	01/01/37	4,721.00	4,761.17			(19.66)		4,701.34	4,764.85	23.34	0.00
FNMA	2004 CDEF Single Family	4.49	04/24/07	04/01/37	8,019.14	8,087.48			(32.60)		7,986.54	8,094.55	39.67	0.00
FNMA	2004 CDEF Single Family	4.49	05/22/07	04/01/37	4,861.46	4,902.96			(19.66)		4,841.80	4,907.34	24.04	0.00
FNMA	2004 CDEF Single Family	4.49	06/05/07	05/01/37	5,716.10	5,764.93			(23.06)		5,693.04	5,770.14	28.27	0.00
FNMA	2004 CDEF Single Family	4.49	07/03/07	06/01/37	14,905.70	15,033.20			(60.57)		14,845.13	15,046.36	73.73	0.00
FNMA	2004 CDEF Single Family	4.49	09/25/07	09/01/37	7,788.45	7,893.89			(30.67)		7,757.78	7,901.45	38.23	0.00
FNMA	2004 CDEF Single Family	4.49	11/08/07	09/01/37	7,647.30	7,788.51			(33.08)		7,614.22	7,793.90	38.47	0.00
FNMA	2004 CDEF Single Family	4.49	11/21/07	09/01/37	3,135.78	3,193.73			(12.21)		3,123.57	3,197.34	15.82	0.00
FNMA	2004 CDEF Single Family	4.49	12/11/07	11/01/37	7,008.84	7,138.51			(30.83)		6,978.01	7,142.94	35.26	0.00
FNMA	2004 CDEF Single Family	4.49	03/26/08	02/01/38	13,144.44	13,375.13			(58.64)		13,085.80	13,394.53	78.04	0.00
FNMA	2004 CDEF Single Family	6.10	06/30/94	06/01/24	145,702.28	153,919.59			(2,089.17)		143,613.11	154,756.52	2,926.10	0.00
FNMA	2004 CDEF Single Family	6.90	08/17/94	08/01/24	190,541.68	204,076.25			(2,395.19)		188,146.49	206,997.76	5,316.70	0.00
FNMA	2004 CDEF Single Family	6.97	08/17/94	07/01/24	307,018.81	329,294.93			(3,614.61)		303,404.20	334,210.77	8,530.45	0.00
FNMA	2004 CDEF Single Family	7.06	08/17/94	07/01/24	89,853.99	95,390.88			(821.39)		89,032.60	96,877.89	2,308.40	0.00
FNMA	2004 CDEF Single Family	6.90	05/26/95	01/01/25	64,882.06	69,753.24			(572.82)		64,309.24	71,013.51	1,833.09	0.00
FNMA	2004 CDEF Single Family	7.10	08/15/95	05/01/25	39,094.13	41,786.28			(3,230.98)		35,863.15	39,457.16	901.88	0.00
GNMA	2004 CDEF Single Family	6.10	06/30/94	06/20/24	1,342,329.05	1,398,904.33			(18,232.56)		1,324,096.49	1,404,910.27	24,238.50	0.00
GNMA	2004 CDEF Single Family	6.90	08/17/94	08/20/24	966,713.27	1,044,606.04			(12,735.27)		953,978.00	1,035,567.34	3,696.57	0.00
GNMA	2004 CDEF Single Family	6.97	08/17/94	08/20/24	629,446.45	681,333.91			(23,110.49)		606,335.96	659,319.93	1,096.51	0.00
GNMA	2004 CDEF Single Family	7.06	08/17/94	08/20/24	178,213.36	190,368.85			(6,515.37)		171,697.99	185,649.46	1,795.98	0.00
GNMA	2004 CDEF Single Family	6.10	01/27/95	10/20/24	232,956.98	242,933.99			(3,306.33)		229,650.65	243,823.88	4,196.22	0.00
GNMA	2004 CDEF Single Family	6.97	02/16/95	12/20/24	481,218.10	521,230.12			(4,991.11)		476,226.99	518,178.86	1,939.85	0.00
GNMA	2004 CDEF Single Family	6.90	03/30/95	02/20/25	120,934.00	130,710.18			(1,089.09)		119,844.91	130,341.99	720.90	0.00
GNMA	2004 CDEF Single Family	7.06	03/30/95	12/20/24	71,264.05	76,135.91			(1,519.30)		69,744.75	75,422.93	806.32	0.00
GNMA	2004 CDEF Single Family	7.10	06/29/95	05/20/25	71,418.05	76,302.90			(696.54)		70,721.51	76,567.73	961.37	0.00
GNMA	2004 CDEF Single Family	7.06	08/15/95	06/20/25	31,682.39	33,816.78			(248.36)		31,434.03	33,996.71	428.29	0.00
GNMA	2004 CDEF Single Family	7.10	08/15/95	08/20/25	45,138.30	48,254.98			(381.78)		44,756.52	48,485.42	612.22	0.00

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GNMA	2004 CDEF Single Family	4.49	02/24/05	02/20/35	1,923,667.24	1,948,153.21			(10,002.08)		1,913,665.16	1,948,773.21	10,622.08	0.00
GNMA	2004 CDEF Single Family	4.49	03/17/05	03/20/35	5,251,976.05	5,318,950.94			(26,585.58)		5,225,390.47	5,321,378.92	29,013.56	0.00
GNMA	2004 CDEF Single Family	4.49	03/24/05	03/20/35	1,834,697.32	1,858,105.24			(9,640.78)		1,825,056.54	1,858,595.28	10,130.82	0.00
GNMA	2004 CDEF Single Family	4.49	03/29/05	02/20/35	247,876.33	251,732.65			(1,168.37)		246,707.96	252,128.73	1,564.45	0.00
GNMA	2004 CDEF Single Family	4.49	04/07/05	04/20/35	2,305,524.99	2,334,980.04			(152,892.44)		2,152,632.55	2,192,228.75	10,141.15	0.00
GNMA	2004 CDEF Single Family	4.49	04/14/05	04/20/35	915,612.31	927,316.61			(135,216.95)		780,395.36	794,755.03	2,655.37	0.00
GNMA	2004 CDEF Single Family	4.49	04/21/05	04/20/35	255,553.90	259,537.27			(1,277.88)		254,276.02	259,870.69	1,611.30	0.00
GNMA	2004 CDEF Single Family	4.49	04/28/05	04/20/35	1,483,900.19	1,502,887.12			(8,576.53)		1,475,323.66	1,502,490.07	8,179.48	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/05	05/20/35	828,117.24	838,722.54			(3,849.88)		824,267.36	839,453.76	4,581.10	0.00
GNMA	2004 CDEF Single Family	4.49	05/12/05	05/20/35	218,466.02	221,876.45			(1,000.29)		217,465.73	222,255.87	1,379.71	0.00
GNMA	2004 CDEF Single Family	4.49	05/19/05	05/20/35	296,328.57	300,956.62			(1,481.79)		294,846.78	301,343.23	1,868.40	0.00
GNMA	2004 CDEF Single Family	4.49	07/14/05	07/20/35	1,459,917.61	1,482,806.94			(106,743.59)		1,353,174.02	1,383,072.76	7,009.41	0.00
GNMA	2004 CDEF Single Family	4.49	05/26/05	05/20/35	802,223.20	812,512.54			(3,947.46)		798,275.74	812,999.75	4,434.67	0.00
GNMA	2004 CDEF Single Family	4.49	06/02/05	06/20/35	1,043,782.90	1,057,182.21			(5,056.94)		1,038,725.96	1,057,895.67	5,770.40	0.00
GNMA	2004 CDEF Single Family	4.49	09/08/05	09/20/35	410,742.54	417,207.66			(1,952.14)		408,790.40	417,847.63	2,592.11	0.00
GNMA	2004 CDEF Single Family	4.49	09/15/05	09/20/35	318,281.26	323,292.99			(109,833.47)		208,447.79	213,067.70	(391.82)	0.00
GNMA	2004 CDEF Single Family	4.49	09/22/05	09/20/35	397,272.82	402,419.45			(1,797.99)		395,474.83	402,820.11	2,198.65	0.00
GNMA	2004 CDEF Single Family	4.49	07/21/05	07/20/35	426,764.46	432,264.35			(1,935.14)		424,829.32	432,690.97	2,361.76	0.00
GNMA	2004 CDEF Single Family	4.49	07/28/05	07/20/35	949,064.90	963,957.47			(5,509.39)		943,555.51	964,415.30	5,967.22	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	07/20/35	479,155.43	486,677.70			(2,303.01)		476,852.42	487,397.95	3,023.26	0.00
GNMA	2004 CDEF Single Family	4.49	08/04/05	08/20/35	3,111,636.11	3,151,787.88			(16,433.28)		3,095,202.83	3,152,534.96	17,180.36	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	940,540.17	952,683.41			(4,463.61)		936,076.56	953,421.20	5,201.40	0.00
GNMA	2004 CDEF Single Family	4.49	08/11/05	08/20/35	310,639.09	314,649.72			(1,451.92)		309,187.17	314,916.12	1,718.32	0.00
GNMA	2004 CDEF Single Family	4.49	08/30/05	08/20/35	571,730.21	579,121.73			(2,713.55)		569,016.66	579,570.57	3,162.39	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	785,704.42	795,912.12			(3,499.19)		782,205.23	796,762.37	4,349.44	0.00
GNMA	2004 CDEF Single Family	4.49	10/27/05	10/20/35	330,057.33	334,345.35			(1,484.73)		328,572.60	334,687.46	1,826.84	0.00
GNMA	2004 CDEF Single Family	4.49	09/29/05	09/20/35	381,138.88	387,145.46			(2,379.37)		378,759.51	387,158.81	2,392.72	0.00
GNMA	2004 CDEF Single Family	4.49	10/06/05	10/20/35	392,738.85	398,932.27			(1,777.67)		390,961.18	399,635.50	2,480.90	0.00
GNMA	2004 CDEF Single Family	4.49	10/20/05	10/20/35	1,059,574.16	1,076,297.61			(4,955.63)		1,054,618.53	1,078,031.67	6,689.69	0.00
GNMA	2004 CDEF Single Family	4.49	12/08/05	11/20/35	975,696.70	988,415.67			(4,388.40)		971,308.30	989,427.71	5,400.44	0.00
GNMA	2004 CDEF Single Family	4.49	12/15/05	12/20/35	614,960.24	622,983.02			(2,934.10)		612,026.14	623,449.56	3,400.64	0.00
GNMA	2004 CDEF Single Family	4.49	11/03/05	11/20/35	1,008,093.62	1,021,200.82			(4,600.09)		1,003,493.53	1,022,179.22	5,578.49	0.00
GNMA	2004 CDEF Single Family	4.49	11/10/05	10/20/35	1,013,937.27	1,027,123.59			(4,573.71)		1,009,363.56	1,028,161.69	5,611.81	0.00
GNMA	2004 CDEF Single Family	4.49	11/17/05	11/20/35	722,599.24	732,004.07			(3,671.61)		718,927.63	732,324.15	3,991.69	0.00
GNMA	2004 CDEF Single Family	4.49	11/22/05	11/20/35	535,808.21	542,784.66			(2,591.98)		533,216.23	543,154.96	2,962.28	0.00
GNMA	2004 CDEF Single Family	4.49	11/29/05	11/20/35	646,927.79	655,355.01			(2,881.38)		644,046.41	656,055.53	3,581.90	0.00
GNMA	2004 CDEF Single Family	4.49	12/22/05	12/20/35	697,186.06	706,285.78			(3,171.67)		694,014.39	706,973.04	3,858.93	0.00
GNMA	2004 CDEF Single Family	4.49	12/29/05	12/20/35	707,538.66	716,778.62			(3,400.88)		704,137.78	717,269.87	3,912.13	0.00
GNMA	2004 CDEF Single Family	4.49	01/05/06	01/20/36	446,592.73	452,054.97			(2,045.08)		444,547.65	452,388.53	2,378.64	0.00
GNMA	2004 CDEF Single Family	4.49	01/12/06	01/20/36	513,838.00	520,125.86			(2,331.82)		511,506.18	520,531.73	2,737.69	0.00
GNMA	2004 CDEF Single Family	4.49	03/09/06	02/20/36	716,593.09	727,423.34			(3,148.04)		713,445.05	728,648.33	4,373.03	0.00
GNMA	2004 CDEF Single Family	4.49	03/02/06	02/20/36	428,829.12	435,307.60			(1,976.75)		426,852.37	435,945.37	2,614.52	0.00
GNMA	2004 CDEF Single Family	4.49	01/19/06	01/20/36	322,574.95	326,524.62			(1,496.94)		321,078.01	326,745.43	1,717.75	0.00
GNMA	2004 CDEF Single Family	4.49	01/26/06	01/20/36	688,969.13	697,409.24			(3,545.16)		685,423.97	697,527.48	3,663.40	0.00
GNMA	2004 CDEF Single Family	4.49	02/02/06	01/20/36	1,102,561.68	1,116,076.33			(5,221.34)		1,097,340.34	1,116,724.41	5,869.42	0.00
GNMA	2004 CDEF Single Family	4.49	02/09/06	02/20/36	1,183,557.66	1,198,077.23			(5,740.40)		1,177,817.26	1,198,635.04	6,298.21	0.00
GNMA	2004 CDEF Single Family	4.49	02/16/06	02/20/36	293,756.66	297,362.49			(1,290.79)		292,465.87	297,637.27	1,565.57	0.00
GNMA	2004 CDEF Single Family	4.49	02/23/06	02/20/36	307,485.70	312,128.79			(1,735.43)		305,750.27	312,261.60	1,868.24	0.00
GNMA	2004 CDEF Single Family	4.49	05/11/06	05/20/36	824,896.76	835,096.56			(3,889.59)		821,007.17	835,599.43	4,392.46	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	148,709.49	150,968.15			(679.33)		148,030.16	151,195.63	906.81	0.00
GNMA	2004 CDEF Single Family	4.49	05/18/06	04/20/36	242,344.17	246,025.00			(1,084.35)		241,259.82	246,418.91	1,478.26	0.00
GNMA	2004 CDEF Single Family	4.49	03/23/06	03/20/36	477,862.24	485,092.75			(2,084.43)		475,777.81	485,924.33	2,916.01	0.00
GNMA	2004 CDEF Single Family	4.49	04/06/06	03/20/36	199,247.31	202,264.77			(906.30)		198,341.01	202,573.52	1,215.05	0.00
GNMA	2004 CDEF Single Family	4.49	04/20/06	04/20/36	194,276.98	197,222.35			(853.55)		193,423.43	197,554.39	1,185.59	0.00
GNMA	2004 CDEF Single Family	4.49	04/27/06	04/20/36	565,368.39	573,964.14			(2,491.18)		562,897.21	574,922.57	3,449.61	0.00
GNMA	2004 CDEF Single Family	4.49	05/05/06	04/20/36	577,909.93	586,680.34			(2,489.12)		575,420.81	587,718.44	3,527.22	0.00
GNMA	2004 CDEF Single Family	4.49	05/25/06	05/20/36	110,586.05	112,266.81			(648.25)		109,937.80	112,289.84	671.28	0.00
GNMA	2004 CDEF Single Family	4.49	06/01/06	05/20/36	626,986.07	634,751.51			(2,607.32)		624,378.75	635,489.03	3,344.84	0.00
GNMA	2004 CDEF Single Family	4.49	06/08/06	05/20/36	190,271.31	193,165.72			(829.79)		189,441.52	193,497.03	1,161.10	0.00
GNMA	2004 CDEF Single Family	4.49	06/15/06	06/20/36	224,535.86	227,953.80			(956.19)		223,579.67	228,368.30	1,370.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2004 CDEF Single Family	4.49	07/06/06	06/20/36	108,518.19	110,172.31			(459.48)		108,058.71	110,375.34	662.51	0.00
GNMA	2004 CDEF Single Family	4.49	07/13/06	06/20/36	357,867.25	363,324.34			(1,537.97)		356,329.28	363,971.08	2,184.71	0.00
GNMA	2004 CDEF Single Family	4.49	07/19/06	06/20/36	374,802.87	380,520.52			(1,740.71)		373,062.16	381,064.73	2,284.92	0.00
GNMA	2004 CDEF Single Family	4.49	07/27/06	07/20/36	419,817.11	426,226.20			(99,769.60)		320,047.51	326,916.50	469.90	0.00
GNMA	2004 CDEF Single Family	4.49	08/09/06	07/20/36	691,897.63	702,468.92			(2,919.86)		688,977.77	703,773.41	4,224.35	0.00
GNMA	2004 CDEF Single Family	4.49	08/16/06	06/20/36	198,426.47	201,458.98			(875.08)		197,551.39	201,794.58	1,210.68	0.00
GNMA	2004 CDEF Single Family	4.49	09/06/06	08/20/36	678,756.75	689,148.16			(2,869.66)		675,887.09	690,422.55	4,144.05	0.00
GNMA	2004 CDEF Single Family	4.49	09/12/06	09/20/36	104,748.86	106,353.37			(442.41)		104,306.45	106,550.60	639.64	0.00
GNMA	2004 CDEF Single Family	4.49	10/05/06	09/20/36	978,593.45	990,845.86			(4,304.26)		974,289.19	991,758.11	5,216.51	0.00
GNMA	2004 CDEF Single Family	4.49	11/02/06	10/20/36	1,022,720.89	1,038,441.19			(155,797.00)		866,923.89	885,621.45	2,977.26	0.00
GNMA	2004 CDEF Single Family	4.49	11/14/06	10/20/36	408,725.58	415,013.15			(1,838.46)		406,887.12	415,667.77	2,493.08	0.00
GNMA	2004 CDEF Single Family	4.49	11/21/06	11/20/36	529,547.99	537,699.11			(2,659.96)		526,888.03	538,263.22	3,224.07	0.00
GNMA	2004 CDEF Single Family	4.49	11/28/06	11/20/36	507,095.27	514,904.42			(2,104.42)		504,990.85	515,896.93	3,096.93	0.00
GNMA	2004 CDEF Single Family	4.49	12/12/06	11/20/36	543,505.59	551,882.71			(2,275.42)		541,230.17	552,926.72	3,319.43	0.00
GNMA	2004 CDEF Single Family	4.49	12/27/06	12/20/36	527,430.26	535,568.81			(2,167.89)		525,262.37	536,623.07	3,222.15	0.00
GNMA	2004 CDEF Single Family	4.49	01/09/07	12/20/36	392,127.85	398,183.84			(1,618.41)		390,509.44	398,960.45	2,395.02	0.00
GNMA	2004 CDEF Single Family	4.49	01/30/07	12/20/36	228,327.99	231,858.96			(1,012.28)		227,315.71	232,239.98	1,393.30	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	65,647.58	66,630.67			(249.02)		65,398.56	66,749.05	367.40	0.00
GNMA	2004 CDEF Single Family	4.49	02/13/08	01/20/38	123,203.44	125,048.44			(528.43)		122,675.01	125,208.28	688.27	0.00
GNMA	2004 CDEF Single Family	4.49	02/19/08	02/20/38	168,372.87	170,895.49			(914.82)		167,458.05	170,917.30	936.63	0.00
GNMA	2004 CDEF Single Family	4.49	03/26/08	12/20/37	460,085.36	467,516.17			(2,719.05)		457,366.31	467,112.48	2,315.36	0.00
FNMA	2004 CDEF Single Family	4.49	04/07/05	02/01/35	170,384.64	171,682.99			(2,072.08)		168,312.56	170,607.28	996.37	0.00
FNMA	2004 CDEF Single Family	4.49	05/27/05	04/01/35	202,987.16	204,538.67			(1,583.94)		201,403.22	204,153.81	1,199.08	0.00
FNMA	2004 CDEF Single Family	4.49	07/14/05	11/01/33	69,124.50	69,788.85			(2,716.40)		66,408.10	67,476.24	403.79	0.00
FNMA	2004 CDEF Single Family	4.49	12/08/05	11/01/35	297,258.26	299,557.71			(1,607.63)		295,650.63	299,715.45	1,765.37	0.00
FNMA	2004 CDEF Single Family	4.49	01/05/06	12/01/35	153,574.48	154,764.48			(1,011.94)		152,562.54	154,662.10	909.56	0.00
FNMA	2004 CDEF Single Family	4.49	01/12/06	11/01/35	108,529.16	109,370.23			(516.34)		108,012.82	109,499.51	645.62	0.00
FNMA	2004 CDEF Single Family	4.49	02/02/06	01/01/36	152,688.36	153,873.34			(1,045.46)		151,642.90	153,731.81	903.93	0.00
FNMA	2004 CDEF Single Family	4.49	04/20/06	04/01/36	247,759.14	249,598.89			(1,098.92)		246,660.22	249,963.00	1,463.03	0.00
FNMA	2004 CDEF Single Family	4.49	05/25/06	04/01/36	202,784.83	204,293.70			(1,201.12)		201,583.71	204,285.99	1,193.41	0.00
FNMA	2004 CDEF Single Family	4.49	07/06/06	05/01/36	126,042.00	126,982.27			(552.56)		125,489.44	127,173.96	744.25	0.00
FNMA	2004 CDEF Single Family	4.49	08/02/06	07/01/36	230,892.50	232,618.00			(3,197.04)		227,695.46	230,755.19	1,334.23	0.00
FNMA	2004 CDEF Single Family	4.49	09/12/06	08/01/36	290,533.01	292,709.79			(2,167.97)		288,365.04	292,245.62	1,703.80	0.00
FNMA	2004 CDEF Single Family	4.49	11/14/06	01/01/36	375,401.08	378,220.94			(1,588.26)		373,812.82	378,849.75	2,217.07	0.00
FNMA	2004 CDEF Single Family	4.49	01/09/07	09/01/36	75,358.94	75,927.44			(397.60)		74,961.34	75,974.00	444.16	0.00
FNMA	2004 CDEF Single Family	4.49	01/30/07	01/01/37	152,688.29	153,983.31			(632.29)		152,056.00	154,106.04	755.02	0.00
FNMA	2004 CDEF Single Family	4.49	02/13/08	01/01/38	465,597.85	471,453.06			(1,834.15)		463,763.70	472,404.60	2,785.69	0.00
Repo Agmt	2004 CDEF Single Family	0.18	05/29/09	06/01/09	483,520.87	483,520.87	232.47				483,753.34	483,753.34	-	0.00
GNMA	2004 CDEF Single Family	5.38	08/07/07	07/20/37	9,420.02	9,749.23			(31.85)		9,388.17	9,626.37	108.99	0.00
GNMA	2004 CDEF Single Family	5.63	08/07/07	08/20/37	23,784.78	24,672.89			(78.30)		23,706.48	24,895.61	301.02	0.00
GNMA	2004 CDEF Single Family	5.63	11/21/07	10/20/37	1,447.02	1,501.22			(7.31)		1,439.71	1,512.10	18.19	0.00
GNMA	2004 CDEF Single Family	5.38	11/21/07	10/20/37	13,407.75	13,877.99			(46.06)		13,361.69	13,987.03	155.10	0.00
GNMA	2004 CDEF Single Family	5.38	09/25/07	09/20/37	39,290.78	40,666.26			(146.42)		39,144.36	40,973.82	453.98	0.00
GNMA	2004 CDEF Single Family	5.13	09/25/07	09/20/37	23,074.98	23,690.22			(86.42)		22,988.56	23,949.95	346.15	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	08/20/37	6,217.54	6,450.05			(28.60)		6,188.94	6,499.72	78.27	0.00
GNMA	2004 CDEF Single Family	5.63	09/25/07	09/20/37	2,782.47	2,886.51			(9.64)		2,772.83	2,912.06	35.19	0.00
GNMA	2004 CDEF Single Family	5.38	10/09/07	09/20/37	25,228.04	26,111.63			(2,646.30)		22,581.74	23,637.50	172.17	0.00
GNMA	2004 CDEF Single Family	5.63	10/09/07	06/20/37	2,081.13	2,158.97			(6.68)		2,074.45	2,178.63	26.34	0.00
GNMA	2004 CDEF Single Family	5.13	10/09/07	09/20/37	8,621.97	8,852.00			(31.06)		8,590.91	8,950.33	129.39	0.00
GNMA	2004 CDEF Single Family	5.38	08/23/07	08/20/37	19,035.81	19,701.49			(64.71)		18,971.10	19,857.01	220.23	0.00
GNMA	2004 CDEF Single Family	5.13	08/23/07	07/20/37	23,746.95	24,379.15			(2,752.92)		20,994.03	21,871.14	244.91	0.00
GNMA	2004 CDEF Single Family	5.38	09/11/07	09/20/37	12,880.13	13,330.84			(43.23)		12,836.90	13,436.65	149.04	0.00
GNMA	2004 CDEF Single Family	5.63	09/11/07	08/20/37	14,087.12	14,613.68			(53.65)		14,033.47	14,737.94	177.91	0.00
GNMA	2004 CDEF Single Family	5.13	09/11/07	08/20/37	9,489.44	9,724.74			(52.38)		9,437.06	9,813.63	141.27	0.00
GNMA	2004 CDEF Single Family	5.38	11/28/07	11/20/37	15,496.26	16,039.89			(50.69)		15,445.57	16,168.59	179.39	0.00
GNMA	2004 CDEF Single Family	5.13	12/11/07	11/20/37	9,143.91	9,371.62			(31.93)		9,111.98	9,476.56	136.87	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	12,706.26	13,151.55			(42.00)		12,664.26	13,256.61	147.06	0.00
GNMA	2004 CDEF Single Family	5.13	10/25/07	10/20/37	25,783.19	26,423.79			(3,116.61)		22,666.58	23,572.21	265.03	0.00
GNMA	2004 CDEF Single Family	5.63	10/25/07	09/20/36	3,617.62	3,749.40			(16.72)		3,600.90	3,779.61	46.93	0.00
GNMA	2004 CDEF Single Family	5.38	10/25/07	10/20/37	21,796.03	22,559.84			(93.35)		21,702.68	22,717.76	251.27	0.00

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GNMA	2004 CDEF Single Family	5.38	11/08/07	10/20/37	20,699.64	21,425.34			(68.32)		20,631.32	21,596.61	239.59	0.00
GNMA	2004 CDEF Single Family	5.13	11/08/07	10/20/37	8,251.84	8,472.24			(28.35)		8,223.49	8,567.80	123.91	0.00
GNMA	2004 CDEF Single Family	5.63	01/16/08	12/20/37	1,386.32	1,438.35			(4.27)		1,382.05	1,451.62	17.54	0.00
GNMA	2004 CDEF Single Family	5.38	12/28/07	11/20/37	5,894.27	6,101.24			(19.25)		5,875.02	6,150.22	68.23	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	1,450.99	1,505.40			(4.64)		1,446.35	1,519.13	18.37	0.00
GNMA	2004 CDEF Single Family	5.63	12/28/07	12/20/37	22,039.03	22,865.58			(1,959.12)		20,079.91	21,090.45	183.99	0.00
GNMA	2004 CDEF Single Family	5.38	12/11/07	11/20/37	18,862.70	19,524.71			(63.10)		18,799.60	19,679.90	218.29	0.00
GNMA	2004 CDEF Single Family	5.13	12/20/07	10/20/37	2,368.04	2,431.42			(8.27)		2,359.77	2,458.70	35.55	0.00
GNMA	2004 CDEF Single Family	5.38	12/20/07	11/20/37	4,935.45	5,108.71			(19.96)		4,915.49	5,145.71	56.96	0.00
GNMA	2004 CDEF Single Family	5.13	12/20/07	12/20/37	1,662.50	1,706.99			(5.64)		1,656.86	1,726.31	24.96	0.00
GNMA	2004 CDEF Single Family	5.38	01/16/08	12/20/37	3,147.35	3,257.94			(10.85)		3,136.50	3,283.50	36.41	0.00
GNMA	2004 CDEF Single Family	5.38	01/30/08	12/20/37	1,946.87	2,015.32			(6.35)		1,940.52	2,031.52	22.55	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	12/20/37	6,536.44	6,781.82			(22.99)		6,513.45	6,841.49	82.66	0.00
GNMA	2004 CDEF Single Family	5.38	02/13/08	12/20/37	3,329.81	3,446.90			(19.25)		3,310.56	3,465.79	38.14	0.00
GNMA	2004 CDEF Single Family	5.63	01/30/08	01/20/38	1,439.92	1,494.02			(4.43)		1,435.49	1,507.85	18.26	0.00
GNMA	2004 CDEF Single Family	5.38	01/30/08	09/20/37	2,783.10	2,880.92			(9.62)		2,773.48	2,903.50	32.20	0.00
GNMA	2004 CDEF Single Family	5.63	02/13/08	01/20/38	4,151.25	4,307.23			(13.11)		4,138.14	4,346.79	52.67	0.00
GNMA	2004 CDEF Single Family	5.38	02/19/08	12/20/37	2,976.00	3,080.67			(10.50)		2,965.50	3,104.59	34.42	0.00
GNMA	2004 CDEF Single Family	5.63	02/19/08	01/20/38	4,724.88	4,902.47			(14.60)		4,710.28	4,947.81	59.94	0.00
GNMA	2004 CDEF Single Family	5.13	02/27/08	02/20/38	3,816.97	3,911.13			(13.07)		3,803.90	3,956.09	58.03	0.00
GNMA	2004 CDEF Single Family	5.38	02/27/08	02/20/38	6,044.82	6,244.44			(36.49)		6,008.33	6,278.23	70.28	0.00
GNMA	2004 CDEF Single Family	5.38	03/20/08	02/20/38	6,004.58	6,215.13			(20.11)		5,984.47	6,265.56	70.54	0.00
GNMA	2004 CDEF Single Family	5.63	03/20/08	02/20/38	2,404.23	2,494.67			(7.34)		2,396.89	2,517.84	30.51	0.00
GNMA	2004 CDEF Single Family	5.13	03/20/08	10/20/37	2,210.13	2,269.48			(7.58)		2,202.55	2,295.08	33.18	0.00
GNMA	2004 CDEF Single Family	5.38	03/27/08	03/20/38	6,994.92	7,240.27			(22.45)		6,972.47	7,300.03	82.21	0.00
FNMA	2004 CDEF Single Family	5.63	07/03/07	07/01/37	13,728.23	14,105.49			(45.93)		13,682.30	14,204.98	145.42	0.00
FNMA	2004 CDEF Single Family	5.38	08/07/07	07/01/37	41,213.05	42,591.39			(212.48)		41,000.57	42,733.67	354.76	0.00
FNMA	2004 CDEF Single Family	5.63	08/07/07	07/01/37	10,131.54	10,509.54			(36.51)		10,095.03	10,580.03	107.00	0.00
FNMA	2004 CDEF Single Family	5.13	08/07/07	08/01/37	36,205.50	37,289.60			(154.96)		36,050.54	37,394.70	260.06	0.00
FNMA	2004 CDEF Single Family	5.13	08/29/07	08/01/37	16,626.99	17,125.17			(60.89)		16,566.10	17,184.10	119.82	0.00
FNMA	2004 CDEF Single Family	5.38	08/23/07	07/01/37	15,209.95	15,718.87			(1,283.96)		13,925.99	14,514.86	79.95	0.00
FNMA	2004 CDEF Single Family	5.38	09/11/07	08/01/37	14,696.16	15,188.14			(52.38)		14,643.78	15,263.27	127.51	0.00
FNMA	2004 CDEF Single Family	5.13	09/11/07	09/01/37	6,834.88	7,039.74			(3,177.01)		3,657.87	3,794.37	(68.36)	0.00
FNMA	2004 CDEF Single Family	5.63	09/11/07	08/01/37	5,904.69	6,125.20			(19.45)		5,885.24	6,168.20	62.45	0.00
FNMA	2004 CDEF Single Family	5.38	09/25/07	09/01/37	40,319.65	41,670.02			(176.79)		40,142.86	41,841.58	348.35	0.00
FNMA	2004 CDEF Single Family	5.63	09/25/07	07/01/37	3,674.29	3,811.55			(20.02)		3,654.27	3,830.00	38.47	0.00
FNMA	2004 CDEF Single Family	5.13	09/25/07	09/01/37	19,865.70	20,461.47			(79.36)		19,786.34	20,525.00	142.89	0.00
FNMA	2004 CDEF Single Family	5.38	10/09/07	08/01/37	6,860.93	7,115.03			(25.84)		6,835.09	7,162.64	73.45	0.00
FNMA	2004 CDEF Single Family	5.13	10/09/07	09/01/37	9,851.08	10,153.68			(34.34)		9,816.74	10,250.92	131.58	0.00
FNMA	2004 CDEF Single Family	5.63	10/09/07	09/01/37	5,722.37	5,957.65			(19.58)		5,702.79	6,028.88	90.81	0.00
FNMA	2004 CDEF Single Family	5.38	10/25/07	10/01/37	40,991.79	42,510.69			(153.04)		40,838.75	42,796.55	438.90	0.00
FNMA	2004 CDEF Single Family	5.13	10/25/07	10/01/37	19,774.07	20,381.78			(125.21)		19,648.86	20,518.21	261.64	0.00
FNMA	2004 CDEF Single Family	5.38	11/08/07	09/01/37	14,046.47	14,567.12			(67.78)		13,978.69	14,649.00	149.66	0.00
FNMA	2004 CDEF Single Family	5.13	11/08/07	10/01/37	6,377.12	6,573.19			(326.44)		6,050.68	6,318.47	71.72	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	10/01/37	8,996.28	9,329.85			(31.83)		8,964.45	9,394.41	96.39	0.00
FNMA	2004 CDEF Single Family	5.13	11/21/07	09/01/37	8,045.79	8,293.24			(28.90)		8,016.89	8,371.78	107.44	0.00
FNMA	2004 CDEF Single Family	5.38	11/21/07	11/01/37	12,794.01	13,268.42			(1,121.21)		11,672.80	12,232.69	85.48	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	10/01/37	22,806.20	23,652.22			(121.23)		22,684.97	23,773.45	242.46	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	11/01/37	11,610.66	11,967.99			(40.27)		11,570.39	12,082.82	155.10	0.00
FNMA	2004 CDEF Single Family	5.38	12/11/07	11/01/37	6,440.94	6,679.89			(21.94)		6,419.00	6,727.01	69.06	0.00
FNMA	2004 CDEF Single Family	5.13	12/11/07	12/01/37	8,143.80	8,394.46			(40.00)		8,103.80	8,462.71	108.25	0.00
FNMA	2004 CDEF Single Family	5.13	12/20/07	11/01/37	7,202.07	7,423.81			(28.61)		7,173.46	7,491.25	96.05	0.00
FNMA	2004 CDEF Single Family	5.38	12/20/07	10/01/37	1,632.20	1,692.78			(10.30)		1,621.90	1,699.77	17.29	0.00
FNMA	2004 CDEF Single Family	5.63	12/28/07	10/01/37	26,715.83	27,816.30			(96.64)		26,619.19	28,143.32	423.66	0.00
FNMA	2004 CDEF Single Family	5.13	01/16/08	12/01/37	6,897.45	7,109.96			(24.60)		6,872.85	7,177.46	92.10	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	3,816.13	3,933.76			(18.88)		3,797.25	3,965.60	50.72	0.00
FNMA	2004 CDEF Single Family	5.38	01/30/08	11/01/37	1,418.30	1,471.00			(4.64)		1,413.66	1,481.57	15.21	0.00
FNMA	2004 CDEF Single Family	5.13	01/30/08	12/01/37	5,254.87	5,416.85			(59.27)		5,195.60	5,425.95	68.37	0.00
FNMA	2004 CDEF Single Family	5.13	02/13/08	01/01/38	2,310.62	2,381.65			(7.83)		2,302.79	2,405.01	30.99	0.00
FNMA	2004 CDEF Single Family	5.38	02/13/08	01/01/38	9,073.36	9,410.62			(29.47)		9,043.89	9,478.80	97.65	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2004 CDEF Single Family	5.63	02/19/08	04/01/37	3,394.06	3,534.02			(17.61)		3,376.45	3,569.92	53.51	0.00
FNMA	2004 CDEF Single Family	5.38	02/19/08	12/01/37	4,598.91	4,769.83			(17.02)		4,581.89	4,802.06	49.25	0.00
FNMA	2004 CDEF Single Family	5.13	02/19/08	01/01/38	5,103.95	5,261.31			(24.00)		5,079.95	5,305.48	68.17	0.00
FNMA	2004 CDEF Single Family	5.13	02/27/08	02/01/38	3,844.87	3,963.44			(14.36)		3,830.51	4,000.60	51.52	0.00
FNMA	2004 CDEF Single Family	5.38	03/20/08	11/01/37	5,637.94	5,847.63			(19.80)		5,618.14	5,888.25	60.42	0.00
	2004 CDEF Single Family Total				71,373,562.91	72,553,811.80	1,863,931.45	(3,710,067.25)	(1,172,268.59)	0.00	68,355,158.52	69,942,132.12	406,724.71	0.00
Repo Agmt	2005 BCD Single Family	0.18	05/29/09	06/01/09	5,296.25	5,296.25	2.53				5,298.78	5,298.78	-	0.00
Repo Agmt	2005 BCD Single Family	0.18	05/29/09	06/01/09	396,074.21	396,074.21		(354,886.45)			41,187.76	41,187.76	-	0.00
Repo Agmt	2005 BCD Single Family	0.18	05/29/09	06/01/09	1,191,284.49	1,191,284.49		(651,166.93)			540,117.56	540,117.56	-	0.00
GNMA	2005 BCD Single Family	5.13	08/10/06	07/20/36	13,232.33	13,570.12			(51.37)		13,180.96	13,736.11	217.36	0.00
GNMA	2005 BCD Single Family	5.38	08/16/06	08/20/36	6,096.22	6,298.83			(37.29)		6,058.93	6,338.79	77.25	0.00
GNMA	2005 BCD Single Family	5.63	08/16/06	08/20/36	5,140.84	5,323.16			(17.67)		5,123.17	5,372.49	67.00	0.00
GNMA	2005 BCD Single Family	5.38	08/23/06	08/20/36	13,622.57	14,075.47			(59.96)		13,562.61	14,189.24	173.73	0.00
GNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	20,466.80	20,951.50			(80.07)		20,386.73	21,206.74	335.31	0.00
GNMA	2005 BCD Single Family	5.38	09/06/06	08/20/36	52,871.78	54,630.23			(201.00)		52,670.78	55,104.90	675.67	0.00
GNMA	2005 BCD Single Family	5.63	09/06/06	09/20/36	20,556.10	21,254.97			(95.22)		20,460.88	21,425.75	266.00	0.00
GNMA	2005 BCD Single Family	5.13	09/06/06	08/20/36	42,499.96	43,586.34			(170.72)		42,329.24	44,113.55	697.93	0.00
GNMA	2005 BCD Single Family	5.38	09/12/06	09/20/36	22,782.50	23,540.41			(86.56)		22,695.94	23,745.02	291.17	0.00
GNMA	2005 BCD Single Family	5.13	09/12/06	09/20/36	31,131.13	31,894.31			(2,896.19)		28,234.94	29,395.40	397.28	0.00
GNMA	2005 BCD Single Family	5.63	09/12/06	09/20/36	6,911.54	7,156.90			(1,907.52)		5,004.02	5,247.72	(1.66)	0.00
GNMA	2005 BCD Single Family	5.38	09/20/06	09/20/36	46,412.05	47,956.45			(183.49)		46,228.56	48,365.77	592.81	0.00
GNMA	2005 BCD Single Family	5.13	09/20/06	09/20/36	80,918.99	82,752.90			(317.64)		80,601.35	83,760.71	1,325.45	0.00
GNMA	2005 BCD Single Family	5.63	09/20/06	09/20/36	7,518.46	7,785.45			(26.76)		7,491.70	7,856.62	97.93	0.00
GNMA	2005 BCD Single Family	5.13	09/26/06	09/20/36	30,779.73	31,534.74			(117.13)		30,662.60	31,923.25	505.64	0.00
GNMA	2005 BCD Single Family	5.38	09/26/06	09/20/36	35,274.77	36,448.79			(3,582.18)		31,692.59	33,157.98	291.37	0.00
GNMA	2005 BCD Single Family	5.38	10/05/06	10/20/36	69,874.48	72,200.84			(4,307.65)		65,566.83	68,599.24	706.05	0.00
GNMA	2005 BCD Single Family	5.63	10/17/06	10/20/36	35,379.17	36,583.55			(2,658.32)		32,720.85	34,265.31	340.08	0.00
GNMA	2005 BCD Single Family	5.13	10/05/06	10/20/36	69,737.13	71,318.83			(3,141.14)		66,595.99	69,207.55	1,029.86	0.00
GNMA	2005 BCD Single Family	5.38	10/17/06	10/20/36	47,616.08	49,201.91			(205.45)		47,410.63	49,603.93	607.47	0.00
GNMA	2005 BCD Single Family	5.13	10/17/06	10/20/36	73,740.16	75,550.63			(5,748.15)		67,992.01	70,789.05	986.57	0.00
GNMA	2005 BCD Single Family	5.63	10/24/06	10/20/36	34,132.96	35,346.27			(139.10)		33,993.86	35,650.91	443.74	0.00
GNMA	2005 BCD Single Family	5.38	10/24/06	10/20/36	52,892.65	54,654.84			(218.21)		52,674.64	55,111.86	675.23	0.00
GNMA	2005 BCD Single Family	5.13	10/24/06	10/20/36	70,021.96	71,741.65			(683.54)		69,338.42	72,191.35	1,133.24	0.00
GNMA	2005 BCD Single Family	5.38	11/02/06	11/20/36	44,223.66	45,697.35			(2,483.52)		41,740.14	43,671.90	458.07	0.00
GNMA	2005 BCD Single Family	5.13	11/02/06	10/20/36	43,072.61	44,130.84			(173.73)		42,898.88	44,664.32	707.21	0.00
GNMA	2005 BCD Single Family	5.63	11/14/06	11/20/36	30,672.05	31,763.06			(106.65)		30,565.40	32,056.06	399.65	0.00
GNMA	2005 BCD Single Family	5.38	11/14/06	10/20/36	31,368.89	32,414.54			(115.17)		31,253.72	32,700.47	401.10	0.00
GNMA	2005 BCD Single Family	5.13	11/14/06	11/20/36	42,587.68	43,634.62			(160.85)		42,426.83	44,173.52	699.75	0.00
GNMA	2005 BCD Single Family	5.38	11/21/06	11/20/36	51,016.38	52,717.45			(228.75)		50,787.63	53,139.10	650.40	0.00
GNMA	2005 BCD Single Family	5.63	11/21/06	11/20/36	15,051.82	15,564.80			(52.17)		14,999.65	15,708.21	195.58	0.00
GNMA	2005 BCD Single Family	5.13	11/21/06	11/20/36	27,336.18	28,008.38			(109.30)		27,226.88	28,347.95	448.87	0.00
GNMA	2005 BCD Single Family	5.38	11/28/06	11/20/36	45,431.25	46,946.44			(171.53)		45,259.72	47,355.59	580.68	0.00
GNMA	2005 BCD Single Family	5.63	11/28/06	11/20/36	5,793.57	5,999.76			(20.69)		5,772.88	6,054.52	75.45	0.00
GNMA	2005 BCD Single Family	5.13	11/28/06	11/20/36	8,423.84	8,631.02			(31.23)		8,392.61	8,738.23	138.44	0.00
GNMA	2005 BCD Single Family	5.38	12/12/06	12/20/36	39,667.48	40,994.92			(3,207.83)		36,459.65	38,152.17	365.08	0.00
GNMA	2005 BCD Single Family	5.63	12/12/06	12/20/36	27,065.30	28,028.84			(3,590.26)		23,475.04	24,620.61	182.03	0.00
GNMA	2005 BCD Single Family	5.13	12/12/06	11/20/36	49,228.30	50,439.84			(254.97)		48,973.33	50,990.89	806.02	0.00
GNMA	2005 BCD Single Family	5.38	12/27/06	12/20/36	77,242.07	79,820.54			(281.29)		76,960.78	80,527.10	987.85	0.00
GNMA	2005 BCD Single Family	5.63	12/27/06	12/20/36	20,093.22	20,778.79			(70.80)		20,022.42	20,969.05	261.06	0.00
GNMA	2005 BCD Single Family	5.13	12/27/06	12/20/36	46,802.84	47,955.54			(2,029.46)		44,773.38	46,618.75	692.67	0.00
GNMA	2005 BCD Single Family	5.38	01/10/07	12/20/36	46,212.89	47,756.22			(2,445.19)		43,767.70	45,796.45	485.42	0.00
GNMA	2005 BCD Single Family	5.63	01/09/07	12/20/36	17,332.30	17,923.92			(86.98)		17,245.32	18,060.91	223.97	0.00
GNMA	2005 BCD Single Family	5.13	01/09/07	01/20/37	27,526.16	28,236.76			(113.97)		27,412.19	28,537.19	412.40	0.00
GNMA	2005 BCD Single Family	5.38	01/16/07	12/20/36	25,907.65	26,773.04			(108.82)		25,798.83	26,994.85	330.63	0.00
GNMA	2005 BCD Single Family	5.63	01/16/07	01/20/37	19,012.86	19,709.10			(69.07)		18,943.79	19,880.27	240.24	0.00
GNMA	2005 BCD Single Family	5.13	01/30/07	01/20/37	50,141.88	51,441.02			(186.37)		49,955.51	52,006.70	752.05	0.00
GNMA	2005 BCD Single Family	5.38	01/30/07	01/20/37	35,765.38	36,990.30			(2,676.36)		33,089.02	34,610.21	296.27	0.00
GNMA	2005 BCD Single Family	5.63	01/30/07	01/20/37	9,977.10	10,342.61			(33.95)		9,943.15	10,434.84	126.18	0.00
GNMA	2005 BCD Single Family	5.38	02/13/07	01/20/37	44,891.58	46,429.67			(2,022.83)		42,868.75	44,840.17	433.33	0.00

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GNMA	2005 BCD Single Family	5.13	02/13/07	01/20/37	43,172.01	44,291.14			(3,438.14)		39,733.87	41,365.94	512.94	0.00
GNMA	2005 BCD Single Family	5.63	02/13/07	02/20/37	5,579.39	5,783.84			(18.66)		5,560.73	5,835.77	70.59	0.00
FNMA	2005 BCD Single Family	5.38	08/09/06	08/01/36	12,334.48	12,686.94			(54.07)		12,280.41	12,740.34	107.47	0.00
FNMA	2005 BCD Single Family	5.13	08/10/06	07/01/36	7,554.45	7,751.89			(37.55)		7,516.90	7,768.43	54.09	0.00
FNMA	2005 BCD Single Family	5.38	08/23/06	08/01/36	9,318.49	9,584.82			(2,037.04)		7,281.45	7,554.20	6.42	0.00
FNMA	2005 BCD Single Family	5.63	08/23/06	08/01/36	15,514.00	16,019.45			(65.60)		15,448.40	16,118.32	164.47	0.00
FNMA	2005 BCD Single Family	5.13	08/23/06	08/01/36	15,885.97	16,301.24			(110.72)		15,775.25	16,303.23	112.71	0.00
FNMA	2005 BCD Single Family	5.38	09/06/06	09/01/36	20,539.36	21,126.52			(79.45)		20,459.91	21,226.43	179.36	0.00
FNMA	2005 BCD Single Family	5.63	09/06/06	08/01/36	7,748.88	8,001.38			(27.14)		7,721.74	8,056.64	82.40	0.00
FNMA	2005 BCD Single Family	5.13	09/12/06	09/01/36	21,966.23	22,517.44			(92.25)		21,873.98	22,583.22	158.03	0.00
FNMA	2005 BCD Single Family	5.38	09/12/06	09/01/36	19,330.66	19,883.28			(86.36)		19,244.30	19,965.29	168.37	0.00
FNMA	2005 BCD Single Family	5.63	09/20/06	09/01/36	8,003.15	8,264.03			(27.97)		7,975.18	8,321.17	85.11	0.00
FNMA	2005 BCD Single Family	5.38	09/20/06	09/01/36	17,986.35	18,500.63			(69.60)		17,916.75	18,588.09	157.06	0.00
FNMA	2005 BCD Single Family	5.13	09/20/06	09/01/36	13,790.10	14,136.21			(54.45)		13,735.65	14,181.09	99.33	0.00
FNMA	2005 BCD Single Family	5.38	09/26/06	09/01/36	17,678.86	18,184.39			(2,407.49)		15,271.37	15,843.62	66.72	0.00
FNMA	2005 BCD Single Family	5.38	10/05/06	09/01/36	24,077.34	24,765.96			(96.61)		23,980.73	24,879.45	210.10	0.00
FNMA	2005 BCD Single Family	5.63	10/17/06	09/01/36	14,544.80	15,019.02			(55.10)		14,489.70	15,118.39	154.47	0.00
FNMA	2005 BCD Single Family	5.13	10/17/06	10/01/36	32,828.77	33,653.11			(220.53)		32,608.24	33,666.07	233.49	0.00
FNMA	2005 BCD Single Family	5.38	10/17/06	10/01/36	25,486.10	26,215.20			(122.59)		25,363.51	26,314.26	221.65	0.00
FNMA	2005 BCD Single Family	5.38	10/24/06	11/01/36	39,944.01	41,086.86			(2,834.70)		37,109.31	38,500.48	248.32	0.00
FNMA	2005 BCD Single Family	5.38	11/02/06	11/01/36	37,608.71	38,684.89			(160.62)		37,448.09	38,852.11	327.84	0.00
FNMA	2005 BCD Single Family	5.63	11/02/06	10/01/36	12,525.27	12,933.75			(47.83)		12,477.44	13,018.94	133.02	0.00
FNMA	2005 BCD Single Family	5.13	11/02/06	10/01/36	19,073.66	19,552.70			(93.71)		18,979.95	19,595.76	136.77	0.00
FNMA	2005 BCD Single Family	5.38	11/14/06	11/01/36	26,953.94	27,725.37			(102.34)		26,851.60	27,858.47	235.44	0.00
FNMA	2005 BCD Single Family	5.63	11/14/06	11/01/36	11,274.31	11,642.06			(47.12)		11,227.19	11,714.51	119.57	0.00
FNMA	2005 BCD Single Family	5.13	11/14/06	11/01/36	10,665.68	10,933.68			(2,954.43)		7,711.25	7,961.55	(17.70)	0.00
FNMA	2005 BCD Single Family	5.38	11/21/06	10/01/36	13,163.71	13,540.48			(48.29)		13,115.42	13,607.23	115.04	0.00
FNMA	2005 BCD Single Family	5.63	11/21/06	11/01/36	8,260.03	8,529.51			(59.74)		8,200.29	8,556.27	86.50	0.00
FNMA	2005 BCD Single Family	5.13	11/21/06	11/01/36	4,943.09	5,067.29			(39.21)		4,903.88	5,063.03	34.95	0.00
FNMA	2005 BCD Single Family	5.38	11/28/06	11/01/36	6,327.78	6,508.90			(23.11)		6,304.67	6,541.10	55.31	0.00
FNMA	2005 BCD Single Family	5.13	11/28/06	11/01/36	6,337.42	6,496.68			(29.00)		6,308.42	6,513.18	45.50	0.00
FNMA	2005 BCD Single Family	5.63	11/28/06	11/01/36	8,411.00	8,685.43			(42.14)		8,368.86	8,732.17	88.88	0.00
FNMA	2005 BCD Single Family	5.38	12/12/06	11/01/36	8,909.91	9,165.03			(54.61)		8,855.30	9,187.46	77.04	0.00
FNMA	2005 BCD Single Family	5.63	12/12/06	11/01/36	8,985.75	9,278.93			(33.37)		8,952.38	9,341.04	95.48	0.00
FNMA	2005 BCD Single Family	5.13	12/12/06	11/01/36	12,300.78	12,609.99			(64.50)		12,236.28	12,633.57	88.08	0.00
FNMA	2005 BCD Single Family	5.38	12/27/06	11/01/36	30,581.41	31,457.26			(112.86)		30,468.55	31,611.65	267.25	0.00
FNMA	2005 BCD Single Family	5.63	12/27/06	12/01/36	9,420.12	9,727.59			(39.56)		9,380.56	9,787.92	99.89	0.00
FNMA	2005 BCD Single Family	5.13	12/27/06	10/01/36	8,300.42	8,509.11			(33.55)		8,266.87	8,535.30	59.74	0.00
FNMA	2005 BCD Single Family	5.38	01/09/07	12/01/36	37,226.98	38,293.36			(3,958.97)		33,268.01	34,516.33	181.94	0.00
FNMA	2005 BCD Single Family	5.63	01/09/07	12/01/36	8,033.96	8,296.19			(29.03)		8,004.93	8,352.56	85.40	0.00
FNMA	2005 BCD Single Family	5.13	01/09/07	12/01/36	10,349.08	10,609.37			(38.83)		10,310.25	10,645.14	74.60	0.00
FNMA	2005 BCD Single Family	5.38	01/30/07	12/01/36	32,622.55	33,557.34			(4,182.12)		28,440.43	29,507.86	132.64	0.00
FNMA	2005 BCD Single Family	5.63	01/30/07	12/01/36	20,471.11	21,139.55			(74.71)		20,396.40	21,262.40	217.56	0.00
FNMA	2005 BCD Single Family	5.13	01/30/07	01/01/37	7,681.86	7,875.11			(46.11)		7,635.75	7,883.81	54.81	0.00
FNMA	2005 BCD Single Family	5.38	02/13/07	01/01/37	22,098.67	22,732.06			(118.05)		21,980.62	22,805.77	191.76	0.00
FNMA	2005 BCD Single Family	5.63	02/13/07	01/01/37	6,982.53	7,210.57			(24.65)		6,957.88	7,260.17	74.25	0.00
FNMA	2005 BCD Single Family	5.13	02/13/07	01/01/37	7,470.59	7,658.69			(35.87)		7,434.72	7,676.40	53.58	0.00
FNMA	2005 BCD Single Family	5.38	02/20/07	01/01/37	6,379.77	6,579.74			(25.50)		6,354.27	6,609.53	55.29	0.00
FNMA	2005 BCD Single Family	5.63	02/20/07	01/01/37	11,505.43	11,881.21			(40.97)		11,464.46	11,962.56	122.32	0.00
FNMA	2005 BCD Single Family	6.15	05/01/96	04/01/26	198,897.82	209,962.29			(1,777.91)		197,119.91	211,776.09	3,591.71	0.00
FNMA	2005 BCD Single Family	6.15	06/01/96	05/01/26	182,906.20	192,856.97			(2,527.62)		180,378.58	193,568.39	3,239.04	0.00
FNMA	2005 BCD Single Family	6.15	07/01/96	06/01/26	207,904.54	219,665.98			(2,212.78)		205,691.76	221,179.65	3,726.45	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	07/01/26	215,692.36	227,939.31			(4,172.63)		211,519.73	227,490.82	3,724.14	0.00
FNMA	2005 BCD Single Family	6.15	08/01/96	08/01/26	158,903.29	166,481.86			(1,609.52)		157,293.77	167,521.85	2,649.51	0.00
FNMA	2005 BCD Single Family	6.15	09/01/96	08/01/26	146,043.14	152,851.16			(1,795.71)		144,247.43	153,471.79	2,416.34	0.00
FNMA	2005 BCD Single Family	6.15	10/01/96	10/01/26	317,169.37	331,898.23			(5,393.99)		311,775.38	331,657.07	5,152.83	0.00
FNMA	2005 BCD Single Family	6.15	12/01/96	11/01/26	224,973.23	235,509.70			(52,379.92)		172,593.31	183,667.78	538.00	0.00
FNMA	2005 BCD Single Family	6.15	03/01/97	01/01/27	218,087.91	228,163.59			(3,215.58)		214,872.33	228,523.19	3,575.18	0.00
FNMA	2005 BCD Single Family	6.15	09/01/97	07/01/27	100,561.01	105,973.18			(747.12)		99,813.89	107,259.99	2,033.93	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	07/20/26	897,789.71	941,570.55			(9,473.71)		888,316.00	955,460.76	23,363.92	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2005 BCD Single Family	6.15	03/01/96	03/20/26	241,710.79	253,514.41			(42,467.37)		199,243.42	214,317.11	3,270.07	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	07/20/26	737,327.42	773,256.06			(10,681.30)		726,646.12	781,544.07	18,969.31	0.00
GNMA	2005 BCD Single Family	6.15	04/01/96	04/20/26	277,157.14	290,646.43			(33,233.41)		243,923.73	262,337.34	4,924.32	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	904,910.17	948,965.77			(9,148.49)		895,761.68	963,395.69	23,578.41	0.00
GNMA	2005 BCD Single Family	6.15	05/01/96	05/20/26	316,391.75	331,860.35			(3,346.67)		313,045.08	336,746.36	8,232.68	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	956,085.61	1,002,734.52			(9,632.54)		946,453.07	1,018,016.83	24,914.85	0.00
GNMA	2005 BCD Single Family	6.15	06/01/96	06/20/26	231,065.88	242,296.08			(1,839.01)		229,226.87	246,515.43	6,058.36	0.00
GNMA	2005 BCD Single Family	6.15	07/01/96	06/20/26	1,204,040.55	1,262,433.38			(13,581.19)		1,190,459.36	1,280,120.42	31,268.23	0.00
GNMA	2005 BCD Single Family	6.15	08/01/96	08/20/26	819,057.83	855,805.98			(10,725.05)		808,332.78	866,246.93	21,166.00	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	401,088.37	418,622.34			(5,394.35)		395,694.02	423,783.40	10,355.41	0.00
GNMA	2005 BCD Single Family	6.15	09/01/96	09/20/26	257,559.00	269,043.34			(3,067.41)		254,491.59	272,653.75	6,677.82	0.00
GNMA	2005 BCD Single Family	6.15	10/01/96	10/20/26	900,006.76	939,873.70			(9,437.41)		890,569.35	953,862.36	23,426.07	0.00
GNMA	2005 BCD Single Family	6.15	12/01/96	12/20/26	305,638.08	319,089.46			(3,174.03)		302,464.05	323,873.01	7,957.58	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	12/20/26	726,061.39	758,031.15			(8,017.53)		718,043.86	768,883.74	18,870.12	0.00
GNMA	2005 BCD Single Family	6.15	01/01/97	01/20/27	377,975.31	396,308.54			(4,440.87)		373,534.44	400,332.58	8,464.91	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	289,742.74	303,787.81			(2,619.54)		287,123.20	307,713.36	6,545.09	0.00
GNMA	2005 BCD Single Family	6.15	02/01/97	02/20/27	139,724.60	146,357.56			(1,496.12)		138,228.48	148,001.55	3,140.11	0.00
GNMA	2005 BCD Single Family	6.15	03/01/97	03/20/27	449,259.91	470,278.19			(6,362.27)		442,897.64	473,904.52	9,988.60	0.00
GNMA	2005 BCD Single Family	6.15	04/01/97	04/20/27	213,500.47	223,349.24			(1,668.91)		211,831.56	226,522.08	4,841.75	0.00
GNMA	2005 BCD Single Family	6.15	06/01/97	06/20/27	167,493.09	175,286.84			(11,133.33)		156,359.76	167,266.70	3,113.19	0.00
GNMA	2005 BCD Single Family	6.15	08/01/97	07/20/27	261,266.12	274,949.58			(3,097.97)		258,168.15	277,697.18	5,845.57	0.00
GNMA	2005 BCD Single Family	6.15	09/01/97	08/20/27	553,631.33	579,457.73			(4,379.88)		549,251.45	587,629.37	12,551.52	0.00
GNMA	2005 BCD Single Family	6.15	02/01/98	02/20/28	134,563.05	140,903.64			(1,289.91)		133,273.14	142,471.63	2,857.90	0.00
GNMA	2005 BCD Single Family	6.15	03/01/98	01/20/28	146,628.27	153,537.36			(8,815.28)		137,812.99	147,324.81	2,602.73	0.00
GNMA	2005 BCD Single Family	6.15	04/01/98	04/20/28	223,721.51	234,263.23			(1,777.26)		221,944.25	237,262.81	4,776.84	0.00
GNMA	2005 BCD Single Family	6.15	06/01/98	05/20/28	172,375.53	180,497.84			(1,543.44)		170,832.09	182,622.90	3,668.50	0.00
GNMA	2005 BCD Single Family	6.15	07/01/98	06/20/28	91,720.29	96,042.13			(1,845.52)		89,874.77	96,077.92	1,881.31	0.00
GNMA	2005 BCD Single Family	6.15	09/01/98	07/20/28	348,354.22	364,768.68			(3,552.15)		344,802.07	368,600.32	7,383.79	0.00
GNMA	2005 BCD Single Family	6.15	11/01/98	10/20/28	539,734.70	565,166.99			(3,925.67)		535,809.03	572,790.56	11,549.24	0.00
	2005 BCD Single Family Total				19,408,979.83	20,212,001.75	2.53	(1,006,053.38)	(379,261.26)	0.00	18,023,667.72	19,209,249.70	382,560.06	0.00
Repo Agmt	2006 ABCDE Single Family	0.18	05/29/09	06/01/09	1,197,050.75	1,197,050.75	575.43				1,197,626.18	1,197,626.18	-	0.00
Repo Agmt	2006 ABCDE Single Family	0.18	05/29/09	06/01/09	12,452,204.56	12,452,204.56		(12,451,865.47)			339.09	339.09	-	0.00
GICs	2006 ABCDE Single Family	4.73	06/28/06	08/31/37	2,709,612.49	2,709,612.49	9,135,827.24				11,845,439.73	11,845,439.73	-	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	05/21/08	04/01/38	112,222.57	115,693.96			(362.02)		111,860.55	116,267.79	935.85	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	06/18/08	04/01/38	225,194.59	232,165.22			(1,219.97)		223,974.62	232,803.76	1,858.51	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	06/18/08	03/01/38	94,420.02	97,812.79			(1,508.25)		92,911.77	97,115.51	810.97	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	06/25/08	12/01/37	127,286.81	130,674.30			(436.04)		126,850.77	131,227.67	989.41	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	07/16/08	06/01/38	191,689.80	196,795.00			(640.35)		191,049.45	197,633.70	1,479.05	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	07/16/08	05/01/38	73,038.12	75,663.44			(221.79)		72,816.33	76,108.07	666.42	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	07/23/08	03/01/38	80,907.63	83,414.12			(872.75)		80,034.88	83,191.87	650.50	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	124,537.39	128,397.73			(392.39)		124,145.00	129,044.31	1,038.97	0.00
Freddie Mac	2006 ABCDE Single Family	5.38	08/13/08	07/01/38	66,382.56	68,440.27			(892.50)		65,490.06	68,074.62	526.85	0.00
Freddie Mac	2006 ABCDE Single Family	5.63	09/24/08	07/01/38	119,075.89	123,362.35			(356.14)		118,719.75	124,093.09	1,086.88	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	10/22/08	03/01/38	182,448.38	187,320.68			(614.03)		181,834.35	188,114.11	1,407.46	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/19/08	10/01/38	165,823.82	170,255.94			(535.45)		165,288.37	171,000.66	1,280.17	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	11/25/08	10/01/38	133,945.07	137,525.69			(1,170.36)		132,774.71	137,364.04	1,008.71	0.00
Freddie Mac	2006 ABCDE Single Family	5.25	12/18/08	09/01/38	202,956.81	208,844.08			(1,338.06)		201,618.75	209,113.29	1,607.27	0.00
Freddie Mac	2006 ABCDE Single Family	5.13	12/30/08	12/01/38	144,401.74	148,265.77			(460.94)		143,940.80	148,919.98	1,115.15	0.00
FNMA	2006 ABCDE Single Family	6.25	04/15/97	03/01/27	186,495.08	195,670.63			(1,837.63)		184,657.45	197,313.87	3,480.87	0.00
FNMA	2006 ABCDE Single Family	6.25	05/29/97	05/01/27	183,654.23	192,690.02			(2,199.94)		181,454.29	193,891.16	3,401.08	0.00
FNMA	2006 ABCDE Single Family	6.25	06/26/97	05/01/27	252,162.84	264,569.21			(2,441.24)		249,721.60	266,837.47	4,709.50	0.00
FNMA	2006 ABCDE Single Family	6.25	08/18/97	06/01/27	124,100.65	131,101.18			(1,312.08)		122,788.57	132,212.60	2,423.50	0.00
FNMA	2006 ABCDE Single Family	6.25	09/29/97	08/01/27	143,856.51	151,971.44			(2,637.90)		141,218.61	152,057.12	2,723.58	0.00
FNMA	2006 ABCDE Single Family	6.25	01/29/98	11/01/27	227,191.72	240,007.61			(23,501.61)		203,690.11	219,323.34	2,817.34	0.00
GNMA	2006 ABCDE Single Family	6.25	03/18/97	02/20/27	1,872,871.01	1,963,892.48			(17,492.52)		1,855,378.49	1,987,425.75	41,025.79	0.00
GNMA	2006 ABCDE Single Family	6.25	04/15/97	04/20/27	741,126.93	777,145.67			(52,542.18)		688,584.75	737,591.29	12,987.80	0.00
GNMA	2006 ABCDE Single Family	6.45	04/29/97	04/20/27	210,529.28	221,805.18			(1,562.78)		208,966.50	224,599.24	4,356.84	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/97	04/20/27	668,849.47	701,355.44			(5,829.98)		663,019.49	710,206.46	14,681.00	0.00
GNMA	2006 ABCDE Single Family	6.25	05/15/97	05/20/27	550,920.86	577,695.54			(9,377.72)		541,543.14	580,084.69	11,766.87	0.00

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GNMA	2006 ABCDE Single Family	6.45	05/29/97	05/20/27	60,316.21	63,546.77			(483.78)		59,832.43	64,308.53	1,245.54	0.00
GNMA	2006 ABCDE Single Family	6.25	06/17/97	06/20/27	1,244,204.45	1,304,672.72			(12,629.29)		1,231,575.16	1,319,226.26	27,182.83	0.00
GNMA	2006 ABCDE Single Family	6.25	06/26/97	06/20/27	280,390.31	294,017.36			(31,747.76)		248,642.55	266,338.52	4,068.92	0.00
GNMA	2006 ABCDE Single Family	6.45	07/15/97	05/20/27	314,232.76	331,063.10			(4,043.19)		310,189.57	333,394.88	6,374.97	0.00
GNMA	2006 ABCDE Single Family	6.25	07/15/97	06/20/27	430,532.62	451,456.51			(63,963.71)		366,568.91	392,657.62	5,164.82	0.00
GNMA	2006 ABCDE Single Family	6.25	07/30/97	07/20/27	500,806.23	525,145.37			(3,881.75)		496,924.48	532,290.57	11,026.95	0.00
GNMA	2006 ABCDE Single Family	6.25	08/18/97	07/20/27	1,050,202.53	1,101,242.36			(9,621.06)		1,040,581.47	1,114,639.65	23,018.35	0.00
GNMA	2006 ABCDE Single Family	6.25	08/28/97	08/20/27	904,907.74	948,886.14			(9,553.37)		895,354.37	959,076.64	19,743.87	0.00
GNMA	2006 ABCDE Single Family	6.45	08/28/97	08/20/27	279,509.13	294,479.65			(2,060.55)		277,448.58	298,204.51	5,785.41	0.00
GNMA	2006 ABCDE Single Family	6.25	09/18/97	09/20/27	250,281.52	262,445.18			(8,837.71)		241,443.81	258,627.33	5,019.86	0.00
GNMA	2006 ABCDE Single Family	6.25	09/29/97	09/20/27	451,082.97	473,005.60			(5,303.49)		445,779.48	477,505.59	9,803.48	0.00
GNMA	2006 ABCDE Single Family	6.25	10/15/97	09/20/27	419,565.26	439,956.16			(3,419.14)		416,146.12	445,763.26	9,226.24	0.00
GNMA	2006 ABCDE Single Family	6.45	10/15/97	08/20/27	62,216.85	65,549.16			(489.35)		61,727.50	66,345.31	1,285.50	0.00
GNMA	2006 ABCDE Single Family	6.25	10/30/97	10/20/27	384,341.25	403,020.22			(9,747.19)		374,594.06	401,253.92	7,980.89	0.00
GNMA	2006 ABCDE Single Family	6.25	11/17/97	10/20/27	319,992.72	335,544.34			(4,357.21)		315,635.51	338,099.25	6,912.12	0.00
GNMA	2006 ABCDE Single Family	6.45	11/25/97	10/20/27	276,680.82	291,499.83			(1,917.63)		274,763.19	295,318.22	5,736.02	0.00
GNMA	2006 ABCDE Single Family	6.25	11/25/97	11/20/27	393,235.74	412,346.94			(2,953.58)		390,282.16	418,058.48	8,665.12	0.00
GNMA	2006 ABCDE Single Family	6.25	12/17/97	11/20/27	598,881.65	627,987.29			(7,682.62)		591,199.03	633,274.68	12,970.01	0.00
GNMA	2006 ABCDE Single Family	6.25	01/29/98	01/20/28	787,402.14	826,284.03			(7,334.36)		780,067.78	835,366.74	16,417.07	0.00
GNMA	2006 ABCDE Single Family	6.45	02/12/98	12/20/27	222,351.61	234,260.77			(1,748.07)		220,603.54	237,106.90	4,594.20	0.00
GNMA	2006 ABCDE Single Family	6.45	04/16/98	02/20/28	343,897.45	362,433.78			(2,934.88)		340,962.57	366,412.26	6,913.36	0.00
GNMA	2006 ABCDE Single Family	6.25	04/29/98	04/20/28	620,648.83	651,296.48			(12,895.88)		607,752.95	650,836.55	12,435.95	0.00
GNMA	2006 ABCDE Single Family	6.25	07/06/98	05/20/28	143,708.11	150,804.17			(984.60)		142,723.51	152,840.95	3,021.38	0.00
GNMA	2006 ABCDE Single Family	6.45	08/13/98	06/20/28	162,924.19	171,705.78			(1,241.25)		161,682.94	173,750.93	3,286.40	0.00
GNMA	2006 ABCDE Single Family	6.25	08/27/98	07/20/28	260,581.46	273,448.99			(4,487.98)		256,093.48	274,247.97	5,286.96	0.00
GNMA	2006 ABCDE Single Family	6.25	09/24/98	08/20/28	124,010.31	130,133.90			(803.80)		123,206.51	131,940.59	2,610.49	0.00
GNMA	2006 ABCDE Single Family	6.25	10/01/98	08/20/28	148,987.31	156,344.29			(1,481.04)		147,506.27	157,962.97	3,099.72	0.00
GNMA	2006 ABCDE Single Family	6.25	10/29/98	09/20/28	108,250.83	113,596.25			(1,844.95)		106,405.88	113,948.98	2,197.68	0.00
GNMA	2006 ABCDE Single Family	6.45	12/15/98	09/20/28	150,564.14	158,679.55			(1,280.48)		149,283.65	160,426.18	3,027.11	0.00
GNMA	2006 ABCDE Single Family	6.25	12/29/98	10/20/28	803,134.51	842,793.31			(87,027.56)		716,106.95	766,871.79	11,106.04	0.00
GNMA	2006 ABCDE Single Family	6.45	01/28/99	11/20/28	37,174.66	39,178.37			(223.23)		36,951.43	39,709.48	754.34	0.00
GNMA	2006 ABCDE Single Family	5.45	03/18/99	02/20/29	429,206.69	442,602.21			(3,135.76)		426,070.93	443,970.15	4,503.70	0.00
GNMA	2006 ABCDE Single Family	5.45	06/24/99	05/20/29	467,459.45	482,048.86			(3,702.36)		463,757.09	483,239.52	4,893.02	0.00
GNMA	2006 ABCDE Single Family	5.45	07/29/99	06/20/29	455,845.42	470,072.37			(3,544.31)		452,301.11	471,302.29	4,774.23	0.00
GNMA	2006 ABCDE Single Family	5.45	10/14/99	08/20/29	151,734.42	156,470.10			(1,383.83)		150,350.59	156,666.88	1,580.61	0.00
GNMA	2006 ABCDE Single Family	5.45	08/26/99	07/20/29	351,443.35	362,411.88			(3,831.24)		347,612.11	362,215.28	3,634.64	0.00
GNMA	2006 ABCDE Single Family	6.25	10/20/99	07/20/29	180,811.03	189,764.79			(1,415.77)		179,395.26	192,114.39	3,765.37	0.00
GNMA	2006 ABCDE Single Family	6.25	11/23/99	10/20/29	44,517.76	46,722.27			(253.78)		44,263.98	47,402.29	933.80	0.00
GNMA	2006 ABCDE Single Family	5.45	12/01/99	10/20/29	171,259.55	176,604.54			(2,668.01)		168,591.54	175,674.05	1,737.52	0.00
GNMA	2006 ABCDE Single Family	5.45	01/27/00	12/20/29	991,489.82	1,022,434.22			(9,092.37)		982,397.45	1,023,667.97	10,326.12	0.00
GNMA	2006 ABCDE Single Family	6.25	01/27/00	12/20/29	205,934.35	216,132.24			(1,482.82)		204,451.53	218,947.17	4,297.75	0.00
FNMA	2006 ABCDE Single Family	5.45	01/28/00	07/01/29	166,115.42	172,615.48			(1,098.34)		165,017.08	173,200.24	1,683.10	0.00
FNMA	2006 ABCDE Single Family	6.25	01/28/00	09/01/29	186,202.13	196,435.79			(41,289.49)		144,912.64	155,599.94	453.64	0.00
GNMA	2006 ABCDE Single Family	5.13	08/10/06	07/20/36	638,540.76	654,158.07			(2,485.10)		636,055.66	662,159.99	10,487.02	0.00
GNMA	2006 ABCDE Single Family	5.38	08/16/06	08/20/36	278,773.67	288,039.54			(1,705.52)		277,068.15	289,866.72	3,532.70	0.00
GNMA	2006 ABCDE Single Family	5.63	08/16/06	08/20/36	235,084.10	243,422.88			(807.31)		234,276.79	245,678.74	3,063.17	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/06	08/20/36	622,947.83	643,657.21			(2,741.94)		620,205.89	648,859.53	7,944.26	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	987,650.29	1,009,982.78			(3,874.09)		983,776.20	1,022,286.90	16,178.21	0.00
GNMA	2006 ABCDE Single Family	5.38	09/06/06	08/20/36	2,417,771.94	2,498,184.15			(9,191.34)		2,408,580.60	2,519,890.68	30,897.87	0.00
GNMA	2006 ABCDE Single Family	5.63	09/06/06	09/20/36	940,009.20	971,968.23			(4,354.29)		935,654.91	979,777.52	12,163.58	0.00
GNMA	2006 ABCDE Single Family	5.13	09/06/06	08/20/36	2,050,892.13	2,101,111.96			(8,259.45)		2,042,632.68	2,126,526.65	33,674.14	0.00
GNMA	2006 ABCDE Single Family	5.38	09/12/06	09/20/36	1,041,820.53	1,076,478.93			(3,958.39)		1,037,862.14	1,085,835.75	13,315.21	0.00
GNMA	2006 ABCDE Single Family	5.13	09/12/06	09/20/36	1,502,422.64	1,539,254.17			(139,773.46)		1,362,649.18	1,418,653.91	19,173.20	0.00
GNMA	2006 ABCDE Single Family	5.63	09/12/06	09/20/36	316,057.82	327,278.12			(87,228.73)		228,829.09	239,972.93	(76.46)	0.00
GNMA	2006 ABCDE Single Family	5.38	09/20/06	09/20/36	2,122,376.39	2,192,999.60			(8,390.66)		2,113,985.73	2,211,717.23	27,108.29	0.00
GNMA	2006 ABCDE Single Family	5.13	09/20/06	09/20/36	3,905,238.86	3,993,744.91			(15,330.04)		3,889,908.84	4,042,382.65	63,967.78	0.00
GNMA	2006 ABCDE Single Family	5.63	09/20/06	09/20/36	343,812.72	356,021.22			(1,223.58)		342,589.14	359,275.58	4,477.94	0.00
GNMA	2006 ABCDE Single Family	5.13	09/26/06	09/20/36	1,485,463.44	1,521,900.60			(5,653.03)		1,479,810.41	1,540,650.75	24,402.98	0.00
GNMA	2006 ABCDE Single Family	5.38	09/26/06	09/20/36	1,613,079.93	1,666,766.11			(163,809.44)		1,449,270.49	1,516,280.74	13,324.07	0.00
GNMA	2006 ABCDE Single Family	5.38	10/05/06	10/20/36	3,195,288.99	3,301,670.59			(196,984.21)		2,998,304.78	3,136,972.96	32,286.58	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.63	10/17/06	10/20/36	1,617,852.71	1,672,928.57			(121,561.90)		1,496,290.81	1,566,917.86	15,551.19	0.00
GNMA	2006 ABCDE Single Family	5.13	10/05/06	10/20/36	3,365,589.33	3,441,924.18			(151,595.03)		3,213,994.30	3,340,031.50	49,702.35	0.00
GNMA	2006 ABCDE Single Family	5.38	10/17/06	10/20/36	2,177,434.37	2,249,953.30			(9,394.40)		2,168,039.97	2,268,336.88	27,777.98	0.00
GNMA	2006 ABCDE Single Family	5.13	10/17/06	10/20/36	3,558,780.17	3,646,155.53			(277,411.81)		3,281,368.36	3,416,356.55	47,612.83	0.00
GNMA	2006 ABCDE Single Family	5.63	10/24/06	10/20/36	1,560,866.60	1,616,348.74			(6,361.35)		1,554,505.25	1,630,279.54	20,292.15	0.00
GNMA	2006 ABCDE Single Family	5.38	10/24/06	10/20/36	2,418,736.43	2,499,309.54			(9,978.48)		2,408,757.95	2,520,208.64	30,877.58	0.00
GNMA	2006 ABCDE Single Family	5.13	10/24/06	10/20/36	3,379,335.78	3,462,329.90			(32,988.61)		3,346,347.17	3,484,033.11	54,691.82	0.00
GNMA	2006 ABCDE Single Family	5.38	11/02/06	11/20/36	2,022,302.94	2,089,693.28			(113,569.00)		1,908,733.94	1,997,071.30	20,947.02	0.00
GNMA	2006 ABCDE Single Family	5.13	11/02/06	10/20/36	2,078,730.95	2,129,802.52			(8,384.12)		2,070,346.83	2,155,548.98	34,130.58	0.00
GNMA	2006 ABCDE Single Family	5.63	11/14/06	11/20/36	1,402,601.98	1,452,492.28			(4,877.29)		1,397,724.69	1,465,890.83	18,275.84	0.00
GNMA	2006 ABCDE Single Family	5.38	11/14/06	10/20/36	1,434,467.09	1,482,283.62			(5,266.16)		1,429,200.93	1,495,358.79	18,341.33	0.00
GNMA	2006 ABCDE Single Family	5.13	11/14/06	11/20/36	2,055,327.76	2,105,854.12			(7,762.30)		2,047,565.46	2,131,862.40	33,770.58	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/06	11/20/36	2,332,927.39	2,410,715.14			(10,460.13)		2,322,467.26	2,429,996.61	29,741.60	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/06	11/20/36	688,304.37	711,762.63			(2,386.06)		685,918.31	718,320.75	8,944.18	0.00
GNMA	2006 ABCDE Single Family	5.13	11/21/06	11/20/36	1,319,273.49	1,351,714.92			(5,275.25)		1,313,998.24	1,368,102.98	21,663.31	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/06	11/20/36	2,077,525.48	2,146,812.45			(7,843.62)		2,069,681.86	2,165,522.68	26,553.85	0.00
GNMA	2006 ABCDE Single Family	5.63	11/28/06	11/20/36	264,935.63	274,363.19			(946.62)		263,989.01	276,867.20	3,450.63	0.00
GNMA	2006 ABCDE Single Family	5.13	11/28/06	11/20/36	406,542.59	416,542.57			(1,506.70)		405,035.89	421,716.49	6,680.62	0.00
GNMA	2006 ABCDE Single Family	5.38	12/12/06	12/20/36	1,814,123.02	1,874,655.63			(146,704.58)		1,667,418.44	1,744,659.82	16,708.77	0.00
GNMA	2006 ABCDE Single Family	5.63	12/12/06	12/20/36	1,237,667.77	1,281,730.24			(164,178.89)		1,073,488.88	1,125,875.21	8,323.86	0.00
GNMA	2006 ABCDE Single Family	5.13	12/12/06	11/20/36	2,375,810.26	2,434,281.52			(12,305.52)		2,363,504.74	2,460,875.84	38,899.84	0.00
GNMA	2006 ABCDE Single Family	5.38	12/27/06	12/20/36	3,532,199.73	3,650,111.81			(12,863.12)		3,519,336.61	3,682,421.99	45,173.30	0.00
GNMA	2006 ABCDE Single Family	5.63	12/27/06	12/20/36	918,842.10	950,192.91			(3,238.13)		915,603.97	958,893.48	11,938.70	0.00
GNMA	2006 ABCDE Single Family	5.13	12/27/06	12/20/36	2,258,756.08	2,314,386.29			(97,943.73)		2,160,812.35	2,249,871.64	33,429.08	0.00
GNMA	2006 ABCDE Single Family	5.38	01/10/07	12/20/36	2,113,267.08	2,183,843.15			(111,816.42)		2,001,450.66	2,094,225.01	22,198.28	0.00
GNMA	2006 ABCDE Single Family	5.63	01/09/07	12/20/36	792,589.04	819,642.88			(3,977.43)		788,611.61	825,906.98	10,241.53	0.00
GNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,336,552.52	1,362,833.50			(5,606.98)		1,330,945.54	1,377,235.77	20,009.25	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/07	12/20/36	1,184,730.44	1,224,303.91			(4,976.68)		1,179,753.76	1,234,447.01	15,119.78	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/07	01/20/37	869,438.95	901,277.27			(3,158.51)		866,280.44	909,104.64	10,985.88	0.00
GNMA	2006 ABCDE Single Family	5.13	01/30/07	01/20/37	2,419,901.75	2,482,599.66			(8,994.80)		2,410,906.95	2,509,899.85	36,294.99	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/07	01/20/37	1,635,514.63	1,691,528.62			(122,387.27)		1,513,127.36	1,582,689.68	13,548.33	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/07	01/20/37	456,243.37	472,957.42			(1,552.48)		454,690.89	477,175.08	5,770.14	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/07	01/20/37	2,052,846.23	2,123,181.11			(92,502.00)		1,960,344.23	2,050,495.27	19,816.16	0.00
GNMA	2006 ABCDE Single Family	5.13	02/13/07	01/20/37	2,083,527.88	2,137,538.64			(165,928.07)		1,917,599.81	1,996,365.54	24,754.97	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/07	02/20/37	255,138.61	264,489.66			(853.05)		254,285.56	266,864.16	3,227.55	0.00
GNMA	2006 ABCDE Single Family	5.38	02/20/07	02/20/37	760,741.96	786,813.74			(2,687.64)		758,054.32	792,922.43	8,796.33	0.00
GNMA	2006 ABCDE Single Family	5.13	02/20/07	02/20/37	1,145,105.80	1,174,800.78			(4,558.71)		1,140,547.09	1,187,406.04	17,163.97	0.00
GNMA	2006 ABCDE Single Family	5.63	02/20/07	02/20/37	488,814.52	506,733.05			(1,757.90)		487,056.62	511,153.17	6,178.02	0.00
GNMA	2006 ABCDE Single Family	5.38	03/06/07	02/20/37	1,038,845.56	1,074,463.58			(4,136.11)		1,034,709.45	1,082,317.04	11,989.57	0.00
GNMA	2006 ABCDE Single Family	5.63	03/06/07	02/20/37	224,867.76	233,114.04			(792.88)		224,074.88	235,163.80	2,842.64	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/07	02/20/37	270,405.54	280,325.78			(921.66)		269,483.88	282,824.02	3,419.90	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/07	03/20/37	1,108,126.44	1,136,896.96			(7,082.20)		1,101,044.24	1,146,313.86	16,499.10	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/07	03/20/37	1,052,859.99	1,088,976.14			(4,615.08)		1,048,244.91	1,096,493.01	12,131.95	0.00
GNMA	2006 ABCDE Single Family	5.13	03/06/07	02/20/37	404,530.36	415,026.54			(1,551.33)		402,979.03	419,540.78	6,065.57	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/07	04/20/37	1,145,699.53	1,175,488.37			(4,161.77)		1,141,537.76	1,188,516.75	17,190.15	0.00
GNMA	2006 ABCDE Single Family	5.63	04/24/07	04/20/37	751,105.09	778,690.39			(2,565.65)		748,539.44	785,624.96	9,500.22	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	04/20/37	575,351.75	595,109.64			(2,105.39)		573,246.36	599,653.90	6,649.65	0.00
GNMA	2006 ABCDE Single Family	5.13	03/27/07	03/20/37	891,037.28	914,177.95			(4,947.27)		886,090.01	922,528.28	13,297.60	0.00
GNMA	2006 ABCDE Single Family	5.63	03/27/07	02/20/37	207,571.03	215,187.60			(691.60)		206,879.43	217,122.00	2,626.00	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/07	03/20/37	380,300.88	393,359.82			(1,336.57)		378,964.31	396,420.73	4,397.48	0.00
GNMA	2006 ABCDE Single Family	5.38	04/10/07	03/20/37	618,993.37	640,239.58			(2,146.05)		616,847.32	645,252.97	7,159.44	0.00
GNMA	2006 ABCDE Single Family	5.13	04/10/07	03/20/37	1,070,520.58	1,098,336.94			(4,024.35)		1,066,496.23	1,110,368.99	16,056.40	0.00
GNMA	2006 ABCDE Single Family	5.63	04/10/07	03/20/37	348,511.25	361,304.93			(1,191.84)		347,319.41	364,521.06	4,407.97	0.00
GNMA	2006 ABCDE Single Family	5.13	05/08/07	04/20/37	623,931.92	640,163.54			(2,651.81)		621,280.11	646,856.83	9,345.10	0.00
GNMA	2006 ABCDE Single Family	5.63	05/08/07	04/20/37	280,017.64	290,305.76			(913.75)		279,103.89	292,935.62	3,543.61	0.00
GNMA	2006 ABCDE Single Family	5.38	05/08/07	05/20/37	632,115.97	653,833.75			(2,211.30)		629,904.67	658,932.92	7,310.47	0.00
GNMA	2006 ABCDE Single Family	5.63	05/22/07	04/20/37	220,446.92	228,549.58			(727.80)		219,719.12	230,611.13	2,789.35	0.00
GNMA	2006 ABCDE Single Family	5.38	05/22/07	05/20/37	918,824.71	950,406.46			(3,367.88)		915,456.83	957,656.91	10,618.33	0.00
GNMA	2006 ABCDE Single Family	5.13	05/22/07	05/20/37	1,351,248.81	1,386,424.04			(7,445.71)		1,343,803.10	1,399,147.11	20,168.78	0.00
GNMA	2006 ABCDE Single Family	5.38	06/05/07	05/20/37	1,112,914.12	1,151,183.38			(3,951.24)		1,108,962.88	1,160,099.46	12,867.32	0.00

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GNMA	2006 ABCDE Single Family	5.63	06/05/07	05/20/37	350,662.06	363,556.74			(1,191.75)		349,470.31	366,800.34	4,435.35	0.00
GNMA	2006 ABCDE Single Family	5.13	06/05/07	05/20/37	1,965,246.80	2,016,433.95			(8,677.06)		1,956,569.74	2,037,179.14	29,422.25	0.00
GNMA	2006 ABCDE Single Family	5.38	06/19/07	05/20/37	426,872.63	441,557.55			(1,445.84)		425,426.79	445,050.42	4,938.71	0.00
GNMA	2006 ABCDE Single Family	5.13	06/19/07	06/20/37	957,522.38	982,477.09			(3,539.16)		953,983.22	993,302.78	14,364.85	0.00
GNMA	2006 ABCDE Single Family	5.63	06/19/07	06/20/37	444,387.16	460,735.33			(1,471.87)		442,915.29	464,886.73	5,623.27	0.00
GNMA	2006 ABCDE Single Family	5.38	08/07/07	07/20/37	430,766.86	445,822.82			(1,456.51)		429,310.35	449,350.22	4,983.91	0.00
GNMA	2006 ABCDE Single Family	5.63	08/07/07	08/20/37	1,087,653.78	1,128,266.49			(3,580.47)		1,084,073.31	1,138,451.05	13,765.03	0.00
GNMA	2006 ABCDE Single Family	5.13	08/07/07	07/20/37	2,090,266.69	2,145,881.63			(141,849.48)		1,948,417.21	2,029,790.52	25,758.37	0.00
GNMA	2006 ABCDE Single Family	5.38	07/03/07	05/20/37	809,038.24	836,881.12			(3,918.12)		805,120.12	842,269.75	9,306.75	0.00
GNMA	2006 ABCDE Single Family	5.13	07/03/07	06/20/37	700,704.12	717,679.50			(2,482.00)		698,222.12	725,683.52	10,486.02	0.00
GNMA	2006 ABCDE Single Family	5.38	07/17/07	06/20/37	824,346.02	852,729.52			(2,878.28)		821,467.74	859,384.73	9,533.49	0.00
GNMA	2006 ABCDE Single Family	5.13	07/17/07	06/20/37	764,849.20	783,389.65			(3,191.93)		761,657.27	791,624.02	11,426.30	0.00
GNMA	2006 ABCDE Single Family	5.63	11/21/07	10/20/37	66,170.64	68,649.36			(334.05)		65,836.59	69,146.90	831.59	0.00
GNMA	2006 ABCDE Single Family	5.38	11/21/07	10/20/37	613,123.01	634,626.40			(2,106.34)		611,016.67	639,612.81	7,092.75	0.00
GNMA	2006 ABCDE Single Family	5.38	09/25/07	09/20/37	1,796,726.75	1,859,626.71			(6,695.36)		1,790,031.39	1,873,691.00	20,759.65	0.00
GNMA	2006 ABCDE Single Family	5.13	09/25/07	09/20/37	1,113,623.62	1,143,315.83			(4,171.08)		1,109,452.54	1,155,850.62	16,705.87	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	08/20/37	284,322.87	294,954.61			(1,308.24)		283,014.63	297,225.83	3,579.46	0.00
GNMA	2006 ABCDE Single Family	5.63	09/25/07	09/20/37	127,239.17	131,997.33			(440.76)		126,798.41	133,165.70	1,609.13	0.00
GNMA	2006 ABCDE Single Family	5.38	10/09/07	09/20/37	1,153,652.54	1,194,057.80			(121,012.09)		1,032,640.45	1,080,918.72	7,873.01	0.00
GNMA	2006 ABCDE Single Family	5.63	10/09/07	06/20/37	95,167.84	98,727.67			(305.46)		94,862.38	99,626.87	1,204.66	0.00
GNMA	2006 ABCDE Single Family	5.13	10/09/07	09/20/37	416,106.15	427,207.13			(1,498.93)		414,607.22	431,952.93	6,244.73	0.00
GNMA	2006 ABCDE Single Family	5.38	08/23/07	08/20/37	870,487.98	900,929.29			(2,959.23)		867,528.75	908,040.84	10,070.78	0.00
GNMA	2006 ABCDE Single Family	5.13	08/23/07	07/20/37	1,146,052.80	1,176,564.43			(132,859.40)		1,013,193.40	1,055,525.27	11,820.24	0.00
GNMA	2006 ABCDE Single Family	5.38	09/11/07	09/20/37	588,994.96	609,605.90			(1,977.02)		587,017.94	614,444.34	6,815.46	0.00
GNMA	2006 ABCDE Single Family	5.63	09/11/07	08/20/37	644,190.26	668,269.13			(2,453.61)		641,736.65	673,951.02	8,135.50	0.00
GNMA	2006 ABCDE Single Family	5.13	09/11/07	08/20/37	457,971.16	469,326.54			(2,527.67)		455,443.49	473,616.76	6,817.89	0.00
GNMA	2006 ABCDE Single Family	5.38	11/28/07	11/20/37	708,628.00	733,487.63			(2,317.66)		706,310.34	739,373.08	8,203.11	0.00
GNMA	2006 ABCDE Single Family	5.13	12/11/07	11/20/37	441,296.74	452,284.42			(1,541.32)		439,755.42	457,348.93	6,605.83	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	581,045.53	601,406.91			(1,920.80)		579,124.73	606,211.18	6,725.07	0.00
GNMA	2006 ABCDE Single Family	5.13	10/25/07	10/20/37	1,244,324.96	1,275,241.15			(150,410.36)		1,093,914.60	1,137,620.73	12,789.94	0.00
GNMA	2006 ABCDE Single Family	5.63	10/25/07	09/20/36	165,430.11	171,456.39			(764.35)		164,665.76	172,837.91	2,145.87	0.00
GNMA	2006 ABCDE Single Family	5.38	10/25/07	10/20/37	996,711.14	1,031,638.51			(4,268.98)		992,442.16	1,038,860.00	11,490.47	0.00
GNMA	2006 ABCDE Single Family	5.38	11/08/07	10/20/37	946,573.64	979,758.92			(3,123.87)		943,449.77	987,591.13	10,956.08	0.00
GNMA	2006 ABCDE Single Family	5.13	11/08/07	10/20/37	398,241.70	408,879.75			(1,368.01)		396,873.69	413,491.30	5,979.56	0.00
GNMA	2006 ABCDE Single Family	5.63	01/16/08	12/20/37	63,395.51	65,774.39			(195.91)		63,199.60	66,381.48	803.00	0.00
GNMA	2006 ABCDE Single Family	5.38	12/28/07	11/20/37	269,538.52	279,003.34			(880.27)		268,658.25	281,243.39	3,120.32	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	66,352.42	68,840.87			(212.29)		66,140.13	69,468.66	840.08	0.00
GNMA	2006 ABCDE Single Family	5.63	12/28/07	12/20/37	1,007,822.62	1,045,619.46			(89,588.36)		918,234.26	964,444.60	8,413.50	0.00
GNMA	2006 ABCDE Single Family	5.38	12/11/07	11/20/37	862,572.13	892,844.98			(2,885.50)		859,686.63	899,941.73	9,982.25	0.00
GNMA	2006 ABCDE Single Family	5.13	12/20/07	10/20/37	114,507.14	117,343.21			(401.68)		114,105.46	118,659.94	1,718.41	0.00
GNMA	2006 ABCDE Single Family	5.38	12/20/07	11/20/37	225,693.24	233,616.30			(912.57)		224,780.67	235,308.23	2,604.50	0.00
GNMA	2006 ABCDE Single Family	5.13	12/20/07	12/20/37	80,234.27	82,381.46			(272.16)		79,962.11	83,314.19	1,204.89	0.00
GNMA	2006 ABCDE Single Family	5.38	01/16/08	12/20/37	143,925.38	148,982.46			(496.24)		143,429.14	150,151.17	1,664.95	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	12/20/37	89,029.36	92,158.96			(290.30)		88,739.06	92,899.35	1,030.69	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	12/20/37	298,904.83	310,125.78			(1,051.20)		297,853.63	312,854.26	3,779.68	0.00
GNMA	2006 ABCDE Single Family	5.38	02/13/08	12/20/37	152,268.45	157,623.48			(880.77)		151,387.68	158,487.37	1,744.66	0.00
GNMA	2006 ABCDE Single Family	5.63	01/30/08	01/20/38	65,846.70	68,320.01			(202.68)		65,644.02	68,952.74	835.41	0.00
GNMA	2006 ABCDE Single Family	5.38	01/30/08	09/20/37	127,268.71	131,741.99			(439.67)		126,829.04	132,774.43	1,472.11	0.00
GNMA	2006 ABCDE Single Family	5.63	02/13/08	01/20/38	189,832.16	196,965.53			(598.99)		189,233.17	198,774.28	2,407.74	0.00
GNMA	2006 ABCDE Single Family	5.38	02/19/08	12/20/37	136,089.13	140,876.01			(480.11)		135,609.02	141,969.72	1,573.82	0.00
GNMA	2006 ABCDE Single Family	5.63	02/19/08	01/20/38	216,064.51	224,184.96			(667.45)		215,397.06	226,258.71	2,741.20	0.00
GNMA	2006 ABCDE Single Family	5.13	02/27/08	02/20/38	183,852.50	188,755.33			(626.68)		183,225.82	190,924.97	2,796.32	0.00
GNMA	2006 ABCDE Single Family	5.38	02/27/08	02/20/38	275,883.87	285,552.08			(1,660.69)		274,223.18	287,097.09	3,205.70	0.00
GNMA	2006 ABCDE Single Family	5.38	03/20/08	02/20/38	274,582.60	284,211.82			(919.09)		273,663.51	286,517.80	3,225.07	0.00
GNMA	2006 ABCDE Single Family	5.63	03/20/08	02/20/38	109,943.23	114,079.09			(335.50)		109,607.73	115,138.68	1,395.09	0.00
GNMA	2006 ABCDE Single Family	5.13	03/20/08	10/20/37	106,663.14	109,528.01			(366.10)		106,297.04	110,763.52	1,601.61	0.00
GNMA	2006 ABCDE Single Family	5.38	03/27/08	03/20/38	319,870.00	331,090.39			(1,026.56)		318,843.44	333,822.92	3,759.09	0.00
GNMA	2006 ABCDE Single Family	5.38	04/24/08	04/20/38	218,674.51	226,352.04			(702.20)		217,972.31	228,219.96	2,570.12	0.00
GNMA	2006 ABCDE Single Family	5.13	04/24/08	04/20/38	342,952.24	352,119.93			(1,140.28)		341,811.96	356,197.64	5,217.99	0.00
GNMA	2006 ABCDE Single Family	5.13	04/22/08	03/20/38	295,143.85	305,505.23			(1,140.30)		294,003.55	307,824.42	3,459.49	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.63	04/22/08	03/20/38	256,391.88	266,046.55			(783.65)		255,608.23	268,516.32	3,253.42	0.00
GNMA	2006 ABCDE Single Family	5.38	05/07/08	03/20/38	110,951.11	114,848.04			(361.12)		110,589.99	115,790.62	1,303.70	0.00
GNMA	2006 ABCDE Single Family	5.13	05/07/08	04/20/38	437,244.82	448,939.46			(1,463.48)		435,781.34	454,127.83	6,651.85	0.00
GNMA	2006 ABCDE Single Family	5.63	05/07/08	04/20/38	266,920.67	276,976.59			(815.06)		266,105.61	279,548.63	3,387.10	0.00
GNMA	2006 ABCDE Single Family	5.38	05/14/08	04/20/38	333,679.91	345,402.90			(1,056.37)		332,623.54	348,268.73	3,922.20	0.00
GNMA	2006 ABCDE Single Family	5.13	05/21/08	05/20/38	594,945.04	609,759.81			(2,088.26)		592,856.78	616,692.54	9,020.99	0.00
GNMA	2006 ABCDE Single Family	5.13	06/11/08	05/20/38	257,372.50	264,266.41			(852.24)		256,520.26	267,330.36	3,916.19	0.00
GNMA	2006 ABCDE Single Family	5.63	07/09/08	06/20/38	291,046.94	302,032.88			(872.12)		290,174.82	304,855.05	3,694.29	0.00
GNMA	2006 ABCDE Single Family	5.38	07/09/08	03/20/38	191,480.60	198,219.61			(646.84)		190,833.76	199,821.49	2,248.72	0.00
GNMA	2006 ABCDE Single Family	5.13	07/16/08	06/20/38	118,994.19	122,186.36			(389.42)		118,604.77	123,607.69	1,810.75	0.00
GNMA	2006 ABCDE Single Family	5.63	06/18/08	03/20/38	28,691.38	29,773.64			(89.48)		28,601.90	30,048.15	363.99	0.00
GNMA	2006 ABCDE Single Family	5.63	06/25/08	05/20/38	182,176.69	189,050.12			(547.30)		181,629.39	190,815.12	2,312.30	0.00
GNMA	2006 ABCDE Single Family	5.38	06/25/08	05/20/38	601,255.86	622,407.78			(1,987.71)		599,268.15	627,483.73	7,063.66	0.00
GNMA	2006 ABCDE Single Family	5.38	07/23/08	06/20/38	330,848.65	342,498.50			(1,036.04)		329,812.61	345,352.14	3,889.68	0.00
GNMA	2006 ABCDE Single Family	5.38	07/29/08	06/20/38	156,346.40	161,852.82			(487.94)		155,858.46	163,203.08	1,838.20	0.00
GNMA	2006 ABCDE Single Family	5.13	08/27/08	08/20/38	248,598.47	255,279.29			(844.11)		247,754.36	258,216.98	3,781.80	0.00
GNMA	2006 ABCDE Single Family	5.63	08/13/08	07/20/38	208,318.16	216,189.92			(663.90)		207,654.26	218,168.30	2,642.28	0.00
GNMA	2006 ABCDE Single Family	5.38	08/13/08	07/20/38	162,748.20	168,483.00			(505.12)		162,243.08	169,891.50	1,913.62	0.00
GNMA	2006 ABCDE Single Family	5.13	08/13/08	07/20/38	257,086.13	263,991.07			(1,745.20)		255,340.93	266,119.91	3,874.04	0.00
GNMA	2006 ABCDE Single Family	5.63	08/27/08	08/20/38	106,566.85	110,595.38			(313.06)		106,253.79	111,635.37	1,353.05	0.00
GNMA	2006 ABCDE Single Family	5.13	09/10/08	09/20/38	527,713.57	541,904.13			(2,069.94)		525,643.63	547,850.38	8,016.19	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	07/20/38	109,925.42	113,804.07			(340.98)		109,584.44	114,755.67	1,292.58	0.00
GNMA	2006 ABCDE Single Family	5.13	09/24/08	08/20/38	227,515.72	233,637.31			(1,103.94)		226,411.78	235,980.29	3,446.92	0.00
GNMA	2006 ABCDE Single Family	5.38	09/24/08	09/20/38	234,554.63	242,830.97			(1,103.25)		233,451.38	244,468.05	2,740.33	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	08/20/38	127,624.99	131,061.82			(430.30)		127,194.69	132,573.22	1,941.70	0.00
GNMA	2006 ABCDE Single Family	5.63	10/15/08	08/20/38	125,134.27	129,871.68			(367.59)		124,766.68	131,092.94	1,588.85	0.00
GNMA	2006 ABCDE Single Family	5.13	10/15/08	09/20/38	67,434.33	69,250.35			(216.76)		67,217.57	70,060.00	1,026.41	0.00
GNMA	2006 ABCDE Single Family	5.63	10/29/08	09/20/38	164,852.02	171,095.86			(481.22)		164,370.80	172,707.97	2,093.33	0.00
GNMA	2006 ABCDE Single Family	5.13	11/12/08	10/20/38	282,847.64	290,473.58			(918.92)		281,928.72	293,859.82	4,305.16	0.00
GNMA	2006 ABCDE Single Family	5.38	11/12/08	10/20/38	87,715.87	90,815.83			(303.94)		87,411.93	91,541.92	1,030.03	0.00
GNMA	2006 ABCDE Single Family	5.13	11/25/08	09/20/38	137,009.94	140,705.91			(444.67)		136,565.27	142,346.53	2,085.29	0.00
GNMA	2006 ABCDE Single Family	5.38	11/25/08	11/20/38	482,416.45	499,473.04			(1,470.09)		480,946.36	503,677.05	5,674.10	0.00
GNMA	2006 ABCDE Single Family	5.63	12/10/08	10/20/38	132,915.37	137,956.02			(385.56)		132,529.81	139,258.44	1,687.98	0.00
GNMA	2006 ABCDE Single Family	5.38	12/10/08	11/20/38	280,523.12	290,446.16			(849.06)		279,674.06	292,896.89	3,299.79	0.00
GNMA	2006 ABCDE Single Family	5.13	12/10/08	11/20/38	348,373.75	357,777.59			(2,168.18)		346,205.57	360,867.80	5,258.39	0.00
GNMA	2006 ABCDE Single Family	5.38	12/17/08	11/20/38	347,493.27	359,788.18			(1,348.69)		346,144.58	362,513.02	4,073.53	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	556,463.97	573,911.21			(2,025.53)		554,438.44	579,343.78	7,458.10	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	204,843.23	211,265.83			(638.47)		204,204.76	213,377.63	2,750.27	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	12/20/38	283,488.21	292,376.63			(876.16)		282,612.05	295,306.96	3,806.49	0.00
GNMA	2006 ABCDE Single Family	5.13	12/17/08	12/20/38	492,885.29	506,194.10			(1,563.12)		491,322.17	512,134.38	7,503.40	0.00
GNMA	2006 ABCDE Single Family	5.25	12/17/08	11/20/38	287,698.08	296,718.49			(894.89)		286,803.19	299,686.36	3,862.76	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	12/20/38	684,485.03	705,951.19			(2,933.42)		681,551.61	712,171.88	9,154.11	0.00
GNMA	2006 ABCDE Single Family	5.25	12/23/08	10/20/38	259,452.39	267,588.81			(809.40)		258,642.99	270,262.85	3,483.44	0.00
GNMA	2006 ABCDE Single Family	5.13	12/30/08	12/20/38	271,081.60	278,405.25			(859.53)		270,222.07	281,672.57	4,126.85	0.00
GNMA	2006 ABCDE Single Family	5.38	12/30/08	11/20/38	134,735.62	139,504.77			(898.19)		133,837.43	140,168.31	1,561.73	0.00
GNMA	2006 ABCDE Single Family	5.25	12/30/08	12/20/38	95,936.11	98,945.45			(460.02)		95,476.09	99,766.27	1,280.84	0.00
GNMA	2006 ABCDE Single Family	5.15	12/30/08	12/20/38	264,202.19	271,604.72			(839.60)		263,362.59	274,677.00	3,911.88	0.00
FNMA	2006 ABCDE Single Family	5.38	08/09/06	08/01/36	564,043.79	580,161.17			(2,472.56)		561,571.23	582,603.03	4,914.42	0.00
FNMA	2006 ABCDE Single Family	5.13	08/10/06	07/01/36	364,551.02	373,686.01			(1,816.01)		362,735.01	374,483.35	2,613.35	0.00
FNMA	2006 ABCDE Single Family	5.38	08/23/06	08/01/36	426,125.69	438,304.29			(93,151.83)		332,973.86	345,446.03	293.57	0.00
FNMA	2006 ABCDE Single Family	5.63	08/23/06	08/01/36	709,440.57	732,552.85			(3,000.18)		706,440.39	737,074.27	7,521.60	0.00
FNMA	2006 ABCDE Single Family	5.13	08/23/06	08/01/36	766,598.96	785,813.99			(5,350.19)		761,248.77	785,909.71	5,445.91	0.00
FNMA	2006 ABCDE Single Family	5.38	09/06/06	09/01/36	939,244.10	966,094.35			(3,632.80)		935,611.30	970,663.25	8,201.70	0.00
FNMA	2006 ABCDE Single Family	5.63	09/06/06	08/01/36	354,348.69	365,894.93			(1,241.10)		353,107.59	368,421.87	3,768.04	0.00
FNMA	2006 ABCDE Single Family	5.13	09/12/06	09/01/36	1,060,113.51	1,086,716.15			(4,451.95)		1,055,661.56	1,089,890.77	7,626.57	0.00
FNMA	2006 ABCDE Single Family	5.38	09/12/06	09/01/36	883,969.58	909,242.44			(3,949.12)		880,020.46	912,992.50	7,699.18	0.00
FNMA	2006 ABCDE Single Family	5.63	09/20/06	09/01/36	365,977.95	377,905.77			(1,278.86)		364,699.09	380,518.77	3,891.86	0.00
FNMA	2006 ABCDE Single Family	5.38	09/20/06	09/01/36	822,497.16	846,015.07			(3,182.53)		819,314.63	850,014.75	7,182.21	0.00
FNMA	2006 ABCDE Single Family	5.13	09/20/06	09/01/36	665,526.20	682,229.08			(2,627.68)		662,898.52	684,394.71	4,793.31	0.00
FNMA	2006 ABCDE Single Family	5.38	09/26/06	09/01/36	808,435.58	831,553.93			(110,092.14)		698,343.44	724,512.90	3,051.11	0.00

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FNMA	2006 ABCDE Single Family	5.38	10/05/06	09/01/36	1,101,032.18	1,132,522.30			(4,417.58)		1,096,614.60	1,137,712.15	9,607.43	0.00
FNMA	2006 ABCDE Single Family	5.63	10/17/06	09/01/36	665,118.78	686,804.35			(2,519.70)		662,599.08	691,348.48	7,063.83	0.00
FNMA	2006 ABCDE Single Family	5.13	10/17/06	10/01/36	1,584,351.82	1,624,135.91			(10,643.05)		1,573,708.77	1,624,761.50	11,268.64	0.00
FNMA	2006 ABCDE Single Family	5.38	10/17/06	10/01/36	1,165,454.23	1,198,794.04			(5,605.95)		1,159,848.28	1,203,324.05	10,135.96	0.00
FNMA	2006 ABCDE Single Family	5.38	10/24/06	11/01/36	1,826,599.61	1,878,860.17			(129,628.21)		1,696,971.40	1,760,587.79	11,355.83	0.00
FNMA	2006 ABCDE Single Family	5.38	11/02/06	11/01/36	1,719,807.96	1,769,020.26			(7,345.11)		1,712,462.85	1,776,667.16	14,992.01	0.00
FNMA	2006 ABCDE Single Family	5.63	11/02/06	10/01/36	572,768.88	591,447.69			(2,187.37)		570,581.51	595,343.22	6,082.90	0.00
FNMA	2006 ABCDE Single Family	5.13	11/02/06	10/01/36	920,514.22	943,634.61			(4,522.62)		915,991.60	945,713.01	6,601.02	0.00
FNMA	2006 ABCDE Single Family	5.38	11/14/06	11/01/36	1,232,576.73	1,267,853.25			(4,680.19)		1,227,896.54	1,273,939.65	10,766.59	0.00
FNMA	2006 ABCDE Single Family	5.63	11/14/06	11/01/36	515,562.80	532,379.72			(2,154.23)		513,408.57	535,692.84	5,467.35	0.00
FNMA	2006 ABCDE Single Family	5.13	11/14/06	11/01/36	514,739.20	527,671.49			(142,584.12)		372,155.08	384,233.17	(854.20)	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/06	10/01/36	601,963.31	619,192.83			(2,208.15)		599,755.16	622,245.16	5,260.48	0.00
FNMA	2006 ABCDE Single Family	5.63	11/21/06	11/01/36	377,724.09	390,046.07			(2,731.73)		374,992.36	391,269.92	3,955.58	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/06	11/01/36	238,558.63	244,552.93			(1,892.68)		236,665.95	244,347.57	1,687.32	0.00
FNMA	2006 ABCDE Single Family	5.38	11/28/06	11/01/36	289,361.99	297,645.37			(1,056.49)		288,305.50	299,117.77	2,528.89	0.00
FNMA	2006 ABCDE Single Family	5.13	11/28/06	11/01/36	305,851.27	313,537.36			(1,399.96)		304,451.31	314,333.70	2,196.30	0.00
FNMA	2006 ABCDE Single Family	5.63	11/28/06	11/01/36	384,627.51	397,175.91			(1,927.12)		382,700.39	399,313.34	4,064.55	0.00
FNMA	2006 ABCDE Single Family	5.38	12/12/06	11/01/36	407,442.15	419,107.85			(2,497.64)		404,944.51	420,133.60	3,523.39	0.00
FNMA	2006 ABCDE Single Family	5.63	12/12/06	11/01/36	410,908.02	424,316.01			(1,525.60)		409,382.42	427,156.28	4,365.87	0.00
FNMA	2006 ABCDE Single Family	5.13	12/12/06	11/01/36	595,582.57	608,571.78			(3,140.14)		592,442.43	609,709.80	4,278.16	0.00
FNMA	2006 ABCDE Single Family	5.38	12/27/06	11/01/36	1,398,458.14	1,438,508.25			(5,161.13)		1,393,297.01	1,445,568.40	12,221.28	0.00
FNMA	2006 ABCDE Single Family	5.63	12/27/06	12/01/36	430,773.44	444,833.16			(1,809.19)		428,964.25	447,591.81	4,567.84	0.00
FNMA	2006 ABCDE Single Family	5.13	12/27/06	10/01/36	400,587.39	410,658.77			(1,619.27)		398,968.12	411,923.05	2,883.55	0.00
FNMA	2006 ABCDE Single Family	5.38	01/09/07	12/01/36	1,702,352.36	1,751,116.16			(181,039.41)		1,521,312.95	1,578,396.54	8,319.79	0.00
FNMA	2006 ABCDE Single Family	5.63	01/09/07	12/01/36	367,384.06	379,376.77			(1,327.52)		366,056.54	381,954.29	3,905.04	0.00
FNMA	2006 ABCDE Single Family	5.13	01/09/07	12/01/36	499,458.98	512,019.72			(1,874.08)		497,584.90	513,746.13	3,600.49	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/07	12/01/36	1,482,733.43	1,534,542.81			(190,010.44)		1,292,722.99	1,349,364.27	4,831.90	0.00
FNMA	2006 ABCDE Single Family	5.63	01/30/07	12/01/36	936,123.07	966,690.14			(3,416.42)		932,706.65	973,222.66	9,948.94	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/07	01/01/37	370,734.21	380,061.50			(2,225.52)		368,508.69	380,481.44	2,645.46	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/07	01/01/37	1,010,549.81	1,039,513.69			(5,397.93)		1,005,151.88	1,042,884.57	8,768.81	0.00
FNMA	2006 ABCDE Single Family	5.63	02/13/07	01/01/37	319,303.85	329,732.35			(1,127.12)		318,176.73	332,000.41	3,395.18	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/07	01/01/37	360,543.40	369,616.55			(1,731.66)		358,811.74	370,471.67	2,586.78	0.00
FNMA	2006 ABCDE Single Family	5.38	02/20/07	01/01/37	292,562.89	300,884.84			(1,176.39)		291,386.50	302,247.23	2,538.78	0.00
FNMA	2006 ABCDE Single Family	5.63	02/20/07	01/01/37	526,130.66	543,315.78			(1,873.47)		524,257.19	547,035.99	5,593.68	0.00
FNMA	2006 ABCDE Single Family	5.13	02/20/07	01/01/37	450,456.20	461,793.37			(1,739.48)		448,716.72	463,299.58	3,245.69	0.00
FNMA	2006 ABCDE Single Family	5.38	03/06/07	02/01/37	581,696.17	597,553.27			(5,136.04)		576,560.13	597,354.80	4,937.57	0.00
FNMA	2006 ABCDE Single Family	5.63	03/06/07	02/01/37	267,451.85	276,090.22			(900.84)		266,551.01	278,019.38	2,830.00	0.00
FNMA	2006 ABCDE Single Family	5.13	03/20/07	09/01/36	81,251.23	83,296.95			(1,173.20)		80,078.03	82,681.17	557.42	0.00
FNMA	2006 ABCDE Single Family	5.63	03/20/07	02/01/37	350,156.80	362,163.83			(1,230.92)		348,925.88	364,643.09	3,710.18	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/07	09/01/36	231,832.58	238,480.16			(1,825.44)		230,007.14	238,644.11	1,989.39	0.00
FNMA	2006 ABCDE Single Family	5.13	03/27/07	03/01/37	432,980.79	443,794.40			(1,788.27)		431,192.52	445,131.17	3,125.04	0.00
FNMA	2006 ABCDE Single Family	5.38	04/10/07	03/01/37	966,354.55	993,864.08			(3,478.31)		962,876.24	998,786.81	8,401.04	0.00
FNMA	2006 ABCDE Single Family	5.63	04/10/07	03/01/37	521,738.30	538,598.49			(1,802.86)		519,935.44	542,314.43	5,518.80	0.00
FNMA	2006 ABCDE Single Family	5.13	04/10/07	03/01/37	871,862.27	893,642.27			(3,810.04)		868,052.23	896,118.16	6,285.93	0.00
FNMA	2006 ABCDE Single Family	5.38	04/24/07	04/01/37	1,409,780.62	1,450,235.13			(5,290.36)		1,404,490.26	1,457,262.11	12,317.34	0.00
FNMA	2006 ABCDE Single Family	5.13	04/24/07	04/01/37	479,096.44	491,068.21			(2,207.18)		476,889.26	492,311.55	3,450.52	0.00
FNMA	2006 ABCDE Single Family	5.63	04/24/07	04/01/37	237,944.03	245,635.00			(811.46)		237,132.57	247,340.90	2,517.36	0.00
FNMA	2006 ABCDE Single Family	5.13	05/08/07	04/01/37	249,136.56	255,363.59			(904.26)		248,232.30	256,261.52	1,802.19	0.00
FNMA	2006 ABCDE Single Family	5.38	05/22/07	04/01/37	227,883.37	234,375.09			(802.47)		227,080.90	235,554.42	1,981.80	0.00
FNMA	2006 ABCDE Single Family	5.13	05/22/07	04/01/37	199,421.40	204,407.04			(760.64)		198,660.76	205,087.78	1,441.38	0.00
FNMA	2006 ABCDE Single Family	5.38	06/05/07	05/01/37	332,786.09	342,342.14			(1,412.99)		331,373.10	343,830.59	2,901.44	0.00
FNMA	2006 ABCDE Single Family	5.63	06/05/07	05/01/37	386,392.61	398,889.46			(1,280.99)		385,111.62	401,698.02	4,089.55	0.00
FNMA	2006 ABCDE Single Family	5.13	06/05/07	04/01/37	423,215.92	433,799.17			(2,003.49)		421,212.43	434,842.02	3,046.34	0.00
FNMA	2006 ABCDE Single Family	5.38	06/19/07	05/01/37	626,430.10	644,283.62			(3,555.69)		622,874.41	646,125.35	5,397.42	0.00
FNMA	2006 ABCDE Single Family	5.63	07/03/07	07/01/37	624,813.53	645,029.89			(2,063.96)		622,749.57	649,579.31	6,613.38	0.00
FNMA	2006 ABCDE Single Family	5.13	07/03/07	06/01/37	567,319.53	581,514.55			(3,334.99)		563,984.54	582,242.16	4,062.60	0.00
FNMA	2006 ABCDE Single Family	5.38	08/07/07	07/01/37	1,884,631.12	1,947,660.65			(9,716.57)		1,874,914.55	1,954,167.30	16,223.22	0.00
FNMA	2006 ABCDE Single Family	5.63	08/07/07	07/01/37	463,304.67	480,590.83			(1,669.35)		461,635.32	483,814.25	4,892.77	0.00
FNMA	2006 ABCDE Single Family	5.13	08/07/07	08/01/37	1,747,317.14	1,799,636.76			(7,478.38)		1,739,838.76	1,804,709.16	12,550.78	0.00
FNMA	2006 ABCDE Single Family	5.13	08/29/07	08/01/37	802,436.57	826,479.64			(2,938.28)		799,498.29	829,323.72	5,782.36	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2006 ABCDE Single Family	5.38	08/23/07	07/01/37	695,536.36	718,808.00			(58,714.32)		636,822.04	663,749.91	3,656.23	0.00
FNMA	2006 ABCDE Single Family	5.38	09/11/07	08/01/37	672,040.14	694,538.25			(2,394.69)		669,645.45	697,973.93	5,830.37	0.00
FNMA	2006 ABCDE Single Family	5.13	09/11/07	09/01/37	329,858.19	339,745.72			(153,325.52)		176,532.67	183,120.49	(3,299.71)	0.00
FNMA	2006 ABCDE Single Family	5.63	09/11/07	08/01/37	270,016.05	280,099.54			(889.42)		269,126.63	282,065.72	2,855.60	0.00
FNMA	2006 ABCDE Single Family	5.38	09/25/07	09/01/37	1,843,776.06	1,905,527.71			(8,084.75)		1,835,691.31	1,913,372.98	15,930.02	0.00
FNMA	2006 ABCDE Single Family	5.63	09/25/07	07/01/37	168,021.82	174,298.37			(915.51)		167,106.31	175,142.22	1,759.36	0.00
FNMA	2006 ABCDE Single Family	5.13	09/25/07	09/01/37	958,741.51	987,492.77			(3,829.68)		954,911.83	990,558.96	6,895.87	0.00
FNMA	2006 ABCDE Single Family	5.38	10/09/07	08/01/37	313,743.57	325,363.43			(1,181.48)		312,562.09	327,540.67	3,358.72	0.00
FNMA	2006 ABCDE Single Family	5.13	10/09/07	09/01/37	475,424.26	490,028.30			(1,657.37)		473,766.89	494,721.14	6,350.21	0.00
FNMA	2006 ABCDE Single Family	5.63	10/09/07	09/01/37	261,678.03	272,437.44			(895.01)		260,783.02	275,694.94	4,152.51	0.00
FNMA	2006 ABCDE Single Family	5.38	10/25/07	10/01/37	1,874,512.53	1,943,970.44			(6,998.23)		1,867,514.30	1,957,042.54	20,070.33	0.00
FNMA	2006 ABCDE Single Family	5.13	10/25/07	10/01/37	954,317.51	983,647.03			(6,042.84)		948,274.67	990,230.93	12,626.74	0.00
FNMA	2006 ABCDE Single Family	5.38	11/08/07	09/01/37	642,331.39	666,139.62			(3,099.67)		639,231.72	669,883.77	6,843.82	0.00
FNMA	2006 ABCDE Single Family	5.13	11/08/07	10/01/37	307,766.67	317,229.26			(15,754.19)		292,012.48	304,936.21	3,461.14	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	10/01/37	411,390.50	426,644.46			(1,455.83)		409,934.67	429,596.85	4,408.22	0.00
FNMA	2006 ABCDE Single Family	5.13	11/21/07	09/01/37	388,298.43	400,241.09			(1,394.54)		386,903.89	404,031.36	5,184.81	0.00
FNMA	2006 ABCDE Single Family	5.38	11/21/07	11/01/37	585,057.46	606,751.41			(51,272.18)		533,785.28	559,388.95	3,909.72	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	10/01/37	1,042,903.48	1,081,591.84			(5,543.97)		1,037,359.51	1,087,135.29	11,087.42	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	11/01/37	560,342.92	577,588.70			(1,943.56)		558,399.36	583,130.34	7,485.20	0.00
FNMA	2006 ABCDE Single Family	5.38	12/11/07	11/01/37	294,537.62	305,464.33			(1,003.22)		293,534.40	307,619.42	3,158.31	0.00
FNMA	2006 ABCDE Single Family	5.13	12/11/07	12/01/37	393,028.74	405,125.89			(1,930.58)		391,098.16	408,419.96	5,224.65	0.00
FNMA	2006 ABCDE Single Family	5.13	12/20/07	11/01/37	347,580.74	358,281.20			(1,380.89)		346,199.85	361,535.64	4,635.33	0.00
FNMA	2006 ABCDE Single Family	5.38	12/20/07	10/01/37	74,639.85	77,409.36			(470.53)		74,169.32	77,728.81	789.98	0.00
FNMA	2006 ABCDE Single Family	5.63	12/28/07	10/01/37	1,221,687.82	1,272,011.19			(4,419.67)		1,217,268.15	1,286,965.52	19,374.00	0.00
FNMA	2006 ABCDE Single Family	5.13	01/16/08	12/01/37	332,878.12	343,134.62			(1,187.80)		331,690.32	346,392.15	4,445.33	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	184,170.73	189,847.82			(911.12)		183,259.61	191,384.72	2,448.02	0.00
FNMA	2006 ABCDE Single Family	5.38	01/30/08	11/01/37	64,858.31	67,267.46			(212.44)		64,645.87	67,750.86	695.84	0.00
FNMA	2006 ABCDE Single Family	5.13	01/30/08	12/01/37	253,605.82	261,423.24			(2,860.59)		250,745.23	261,862.42	3,299.77	0.00
FNMA	2006 ABCDE Single Family	5.13	02/13/08	01/01/38	111,513.23	114,951.01			(377.97)		111,135.26	116,068.73	1,495.69	0.00
FNMA	2006 ABCDE Single Family	5.38	02/13/08	01/01/38	414,916.25	430,338.57			(1,347.54)		413,568.71	433,456.01	4,464.98	0.00
FNMA	2006 ABCDE Single Family	5.63	02/19/08	04/01/37	155,207.33	161,607.27			(805.63)		154,401.70	163,248.74	2,447.10	0.00
FNMA	2006 ABCDE Single Family	5.38	02/19/08	12/01/37	210,303.76	218,119.45			(778.14)		209,525.62	219,593.51	2,252.20	0.00
FNMA	2006 ABCDE Single Family	5.13	02/19/08	01/01/38	246,321.64	253,916.66			(1,157.99)		245,163.65	256,048.17	3,289.50	0.00
FNMA	2006 ABCDE Single Family	5.13	02/27/08	02/01/38	185,557.24	191,280.22			(692.67)		184,864.57	193,073.57	2,486.02	0.00
FNMA	2006 ABCDE Single Family	5.38	03/20/08	11/01/37	257,817.54	267,406.04			(905.54)		256,912.00	269,263.64	2,763.14	0.00
FNMA	2006 ABCDE Single Family	5.13	04/08/08	03/01/38	177,498.96	182,980.24			(681.05)		176,817.91	184,676.50	2,377.31	0.00
FNMA	2006 ABCDE Single Family	5.63	04/15/08	12/01/37	144,605.98	150,577.60			(1,777.57)		142,828.41	151,021.32	2,221.29	0.00
FNMA	2006 ABCDE Single Family	5.38	04/15/08	01/01/38	242,502.84	251,528.12			(855.43)		241,647.41	253,271.56	2,598.87	0.00
FNMA	2006 ABCDE Single Family	5.13	04/15/08	04/01/38	116,974.67	120,587.76			(490.75)		116,483.92	121,661.83	1,564.82	0.00
FNMA	2006 ABCDE Single Family	5.38	04/29/08	04/01/38	160,189.82	166,154.16			(1,547.46)		158,642.36	166,276.36	1,669.66	0.00
Repo Agmt	2006 ABCDE Single Family	0.18	05/29/09	06/01/09	21,041.43	21,041.43	0.00				21,041.43	21,041.43	-	0.00
GNMA	2006 ABCDE Single Family	6.15	11/12/02	11/20/32	8,235.86	8,693.51			(36.67)		8,200.19	8,814.13	156.29	0.00
GNMA	2006 ABCDE Single Family	5.40	11/12/02	10/20/32	8,977.55	9,277.18			(44.98)		8,932.57	9,336.24	104.04	0.00
GNMA	2006 ABCDE Single Family	6.15	01/10/03	09/20/32	8,643.03	9,123.25			(47.24)		8,595.79	9,239.30	163.29	0.00
GNMA	2006 ABCDE Single Family	5.40	09/26/02	09/20/32	11,263.32	11,638.79			(226.17)		11,037.15	11,535.47	122.85	0.00
GNMA	2006 ABCDE Single Family	6.15	10/10/02	09/20/32	5,523.95	5,830.74			(25.07)		5,498.88	5,910.40	104.73	0.00
GNMA	2006 ABCDE Single Family	5.40	10/10/02	09/20/32	3,379.99	3,492.69			(16.42)		3,363.57	3,515.45	39.18	0.00
GNMA	2006 ABCDE Single Family	6.15	10/21/02	10/20/32	9,891.37	10,441.25			(208.27)		9,683.10	10,408.29	175.31	0.00
GNMA	2006 ABCDE Single Family	6.15	10/29/02	10/20/32	6,174.21	6,517.22			(31.38)		6,142.83	6,602.64	116.80	0.00
GNMA	2006 ABCDE Single Family	5.40	10/29/02	09/20/32	2,652.62	2,741.10			(23.95)		2,628.67	2,747.39	30.24	0.00
GNMA	2006 ABCDE Single Family	6.15	11/05/02	10/20/32	2,995.53	3,161.99			(12.92)		2,982.61	3,205.92	56.85	0.00
GNMA	2006 ABCDE Single Family	5.40	11/05/02	09/20/32	6,663.73	6,886.07			(37.77)		6,625.96	6,925.32	77.02	0.00
GNMA	2006 ABCDE Single Family	6.15	11/19/02	11/20/32	3,946.65	4,166.01			(16.90)		3,929.75	4,224.02	74.91	0.00
GNMA	2006 ABCDE Single Family	5.40	11/19/02	11/20/32	4,803.46	4,963.84			(23.59)		4,779.87	4,995.94	55.69	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	17,365.64	18,330.91			(93.79)		17,271.85	18,565.28	328.16	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	12,956.89	13,389.55			(4,352.97)		8,603.92	8,992.89	(43.69)	0.00
GNMA	2006 ABCDE Single Family	6.15	11/26/02	11/20/32	4,938.55	5,213.05			(22.99)		4,915.56	5,283.65	93.59	0.00
GNMA	2006 ABCDE Single Family	5.40	11/26/02	11/20/32	6,925.40	7,156.64			(35.72)		6,889.68	7,201.13	80.21	0.00
GNMA	2006 ABCDE Single Family	5.40	12/12/02	12/20/32	5,174.65	5,347.56			(26.37)		5,148.28	5,381.13	59.94	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	3,044.32	3,213.64			(18.20)		3,026.12	3,252.84	57.40	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	9,917.06	10,248.52			(47.32)		9,869.74	10,316.23	115.03	0.00
GNMA	2006 ABCDE Single Family	6.15	12/30/02	12/20/32	8,453.28	8,923.42			(37.29)		8,415.99	9,046.50	160.37	0.00
GNMA	2006 ABCDE Single Family	5.40	12/30/02	12/20/32	4,900.04	5,063.82			(23.29)		4,876.75	5,097.38	56.85	0.00
GNMA	2006 ABCDE Single Family	6.15	01/07/03	12/20/32	5,600.69	5,912.19			(24.82)		5,575.87	5,993.61	106.24	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	23,581.88	24,836.25			(118.51)		23,463.37	25,088.66	370.92	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,778.60	4,936.63			(22.71)		4,755.89	4,970.56	56.64	0.00
GNMA	2006 ABCDE Single Family	6.15	01/23/03	01/20/33	5,215.87	5,493.29			(38.06)		5,177.81	5,536.44	81.21	0.00
GNMA	2006 ABCDE Single Family	5.40	01/23/03	01/20/33	4,956.47	5,120.42			(23.41)		4,933.06	5,155.79	58.78	0.00
GNMA	2006 ABCDE Single Family	6.15	01/30/03	01/20/33	11,497.70	12,109.31			(6,454.42)		5,043.28	5,392.62	(262.27)	0.00
GNMA	2006 ABCDE Single Family	5.40	01/30/03	01/20/33	16,359.91	16,901.05			(87.32)		16,272.59	17,007.22	193.49	0.00
GNMA	2006 ABCDE Single Family	6.15	02/12/03	02/20/33	15,610.70	16,441.36			(95.64)		15,515.06	16,590.08	244.36	0.00
GNMA	2006 ABCDE Single Family	6.15	02/20/03	02/20/33	8,307.93	8,750.03			(45.27)		8,262.66	8,835.19	130.43	0.00
GNMA	2006 ABCDE Single Family	5.40	03/03/03	03/20/33	5,677.14	5,865.10			(26.47)		5,650.67	5,905.95	67.32	0.00
GNMA	2006 ABCDE Single Family	6.15	02/27/03	02/20/33	21,190.49	22,318.32			(5,044.36)		16,146.13	17,265.07	(8.89)	0.00
GNMA	2006 ABCDE Single Family	5.40	02/27/03	01/20/33	5,145.94	5,316.24			(24.37)		5,121.57	5,352.86	60.99	0.00
GNMA	2006 ABCDE Single Family	6.15	03/12/03	02/20/33	15,304.30	16,119.00			(67.76)		15,236.54	16,292.59	241.35	0.00
GNMA	2006 ABCDE Single Family	6.15	03/24/03	03/20/33	7,582.05	7,985.79			(33.34)		7,548.71	8,072.05	119.60	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	04/20/33	2,176.22	2,292.12			(8.99)		2,167.23	2,317.49	34.36	0.00
GNMA	2006 ABCDE Single Family	6.15	04/02/03	03/20/33	4,812.48	5,068.77			(20.02)		4,792.46	5,124.73	75.98	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	15,094.64	15,898.55			(88.68)		15,005.96	16,046.41	236.54	0.00
GNMA	2006 ABCDE Single Family	6.15	04/10/03	03/20/33	3,427.42	3,609.94			(14.41)		3,413.01	3,649.63	54.10	0.00
GNMA	2006 ABCDE Single Family	6.15	04/17/03	04/20/33	7,936.68	8,359.48			(33.18)		7,903.50	8,451.61	125.31	0.00
GNMA	2006 ABCDE Single Family	6.15	04/24/03	04/20/33	5,461.72	5,752.69			(22.73)		5,438.99	5,816.20	86.24	0.00
GNMA	2006 ABCDE Single Family	6.15	04/29/03	03/20/33	4,256.99	4,483.79			(22.00)		4,234.99	4,528.71	66.92	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	2,490.14	2,622.82			(11.01)		2,479.13	2,651.07	39.26	0.00
GNMA	2006 ABCDE Single Family	6.15	05/08/03	04/20/33	4,072.51	4,289.52			(17.51)		4,055.00	4,336.27	64.26	0.00
GNMA	2006 ABCDE Single Family	6.15	05/15/03	04/20/33	4,195.82	4,419.53			(17.59)		4,178.23	4,468.18	66.24	0.00
GNMA	2006 ABCDE Single Family	6.15	06/10/03	06/20/33	3,076.77	3,240.84			(12.87)		3,063.90	3,276.54	48.57	0.00
GNMA	2006 ABCDE Single Family	6.15	06/19/03	05/20/33	1,982.44	2,088.18			(8.15)		1,974.29	2,111.33	31.30	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	2,512.43	2,646.49			(10.60)		2,501.83	2,675.56	39.67	0.00
GNMA	2006 ABCDE Single Family	6.15	07/17/03	07/20/33	4,438.87	4,675.69			(34.72)		4,404.15	4,709.95	68.98	0.00
GNMA	2006 ABCDE Single Family	6.15	07/24/03	07/20/33	4,233.25	4,459.12			(18.10)		4,215.15	4,507.82	66.80	0.00
GNMA	2006 ABCDE Single Family	6.15	07/30/03	07/30/33	2,350.68	2,476.13			(9.55)		2,341.13	2,503.72	37.14	0.00
GNMA	2006 ABCDE Single Family				2,685.10	2,828.47			(2,685.10)				(143.37)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/29/03	09/20/33	8,056.00	8,486.41			(34.71)		8,021.29	8,578.84	127.14	0.00
GNMA	2006 ABCDE Single Family	6.15	10/09/03	08/20/33	2,817.64	2,968.20			(11.43)		2,806.21	3,001.26	44.51	0.00
GNMA	2006 ABCDE Single Family	6.15	01/15/04	12/20/33	3,174.69	3,344.59			(12.75)		3,161.94	3,382.00	50.16	0.00
GNMA	2006 ABCDE Single Family	6.15	03/11/04	03/20/34	3,069.15	3,223.33			(11.76)		3,057.39	3,252.45	40.88	0.00
GNMA	2006 ABCDE Single Family	5.40	07/08/04	06/20/34	17,261.22	17,827.73			(83.94)		17,177.28	17,950.68	206.89	0.00
GNMA	2006 ABCDE Single Family	6.15	04/08/04	04/20/34	1,937.01	2,034.39			(7.52)		1,929.49	2,052.65	25.78	0.00
GNMA	2006 ABCDE Single Family	5.40	06/17/04	06/20/34	23,983.47	24,770.20			(103.87)		23,879.60	24,954.36	288.03	0.00
GNMA	2006 ABCDE Single Family	5.40	09/02/04	09/20/34	35,674.09	36,846.89			(153.68)		35,520.41	37,121.72	428.51	0.00
GNMA	2006 ABCDE Single Family	5.40	09/09/04	09/20/34	40,524.88	41,781.38			(174.04)		40,350.84	42,093.28	485.94	0.00
GNMA	2006 ABCDE Single Family	5.40	09/16/04	09/20/34	39,489.44	40,788.12			(164.86)		39,324.58	41,097.82	474.56	0.00
GNMA	2006 ABCDE Single Family	5.40	07/15/04	07/20/34	11,389.93	11,763.83			(90.97)		11,298.96	11,807.77	134.91	0.00
GNMA	2006 ABCDE Single Family	5.40	07/22/04	07/20/34	17,379.79	17,950.47			(77.48)		17,302.31	18,081.63	208.64	0.00
GNMA	2006 ABCDE Single Family	5.40	07/29/04	07/20/34	14,604.19	15,083.74			(62.90)		14,541.29	15,196.25	175.41	0.00
GNMA	2006 ABCDE Single Family	5.40	08/05/04	08/20/34	9,554.86	9,868.74			(41.88)		9,512.98	9,941.59	114.73	0.00
GNMA	2006 ABCDE Single Family	5.40	08/12/04	08/20/34	28,932.84	29,883.41			(133.25)		28,799.59	30,097.28	347.12	0.00
GNMA	2006 ABCDE Single Family	5.40	08/20/04	08/20/34	5,341.74	5,517.30			(25.04)		5,316.70	5,556.33	64.07	0.00
GNMA	2006 ABCDE Single Family				6,312.89	6,520.36			(6,312.89)				(207.47)	0.00
GNMA	2006 ABCDE Single Family	5.40	12/02/04	12/20/34	10,561.20	10,909.28			(45.30)		10,515.90	10,990.85	126.87	0.00
GNMA	2006 ABCDE Single Family	5.40	10/14/04	10/20/34	32,839.54	33,858.78			(141.51)		32,698.03	34,111.01	393.74	0.00
GNMA	2006 ABCDE Single Family	4.49	10/14/04	09/20/34	7,496.37	7,608.64			(36.63)		7,459.74	7,621.61	49.60	0.00
GNMA	2006 ABCDE Single Family	5.40	10/21/04	10/20/34	64,152.41	66,264.19			(289.22)		63,863.19	66,744.98	770.01	0.00
GNMA	2006 ABCDE Single Family	4.49	10/21/04	10/20/34	15,559.71	15,792.92			(76.96)		15,482.75	15,818.89	102.93	0.00
GNMA	2006 ABCDE Single Family	5.40	10/28/04	10/20/34	14,830.16	15,290.60			(65.18)		14,764.98	15,403.18	177.76	0.00
GNMA	2006 ABCDE Single Family	4.49	10/29/04	10/20/34	27,609.38	27,947.10			(160.01)		27,449.37	27,947.53	160.44	0.00
GNMA	2006 ABCDE Single Family	4.49	11/04/04	10/20/34	121,079.11	122,560.76			(9,008.88)		112,070.23	114,104.64	552.76	0.00
GNMA	2006 ABCDE Single Family	5.40	11/04/04	11/20/34	22,179.99	22,910.46			(100.15)		22,079.84	23,076.52	266.21	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 ABCDE Single Family	4.49	11/10/04	11/20/34	25,958.19	26,276.05			(147.05)		25,811.14	26,279.93	150.93	0.00
GNMA	2006 ABCDE Single Family	5.40	11/10/04	11/20/34	3,295.82	3,404.33			(13.53)		3,282.29	3,430.42	39.62	0.00
GNMA	2006 ABCDE Single Family	4.49	11/18/04	11/20/34	22,917.13	23,197.90			(119.18)		22,797.95	23,212.16	133.44	0.00
GNMA	2006 ABCDE Single Family	5.40	09/08/05	08/20/35	2,869.70	2,963.23			(11.87)		2,857.83	2,986.38	35.02	0.00
FNMA	2006 ABCDE Single Family	5.40	08/14/03	09/01/32	2,763.83	2,851.03			(14.17)		2,749.66	2,862.38	25.52	0.00
FNMA	2006 ABCDE Single Family	6.15	08/14/03	12/01/31	2,803.77	2,939.50			(46.97)		2,756.80	2,944.86	52.33	0.00
FNMA	2006 ABCDE Single Family	6.15	04/15/04	02/01/34	5,010.34	5,237.09			(19.51)		4,990.83	5,306.47	88.89	0.00
FNMA	2006 ABCDE Single Family	5.40	10/28/04	10/01/34	14,693.02	15,137.84			(63.27)		14,629.75	15,210.85	136.28	0.00
FNMA	2006 ABCDE Single Family	4.49	11/04/04	10/01/34	7,574.65	7,637.57			(38.57)		7,536.08	7,647.33	48.33	0.00
GNMA	2006 ABCDE Single Family	5.40	08/29/02	08/20/32	10,507.75	10,857.53			(3,251.39)		7,256.36	7,583.56	(22.58)	0.00
GNMA	2006 ABCDE Single Family	6.15	09/12/02	08/20/32	3,023.24	3,191.12			(13.73)		3,009.51	3,234.71	57.32	0.00
GNMA	2006 ABCDE Single Family				4,476.15	4,724.68			(4,476.15)				(248.53)	0.00
GNMA	2006 ABCDE Single Family	5.40	09/19/02	09/20/32	11,614.43	12,001.51			(64.24)		11,550.19	12,071.59	134.32	0.00
GNMA	2006 ABCDE Single Family	4.49	12/09/04	12/20/34	93,453.00	94,599.84			(468.97)		92,984.03	94,675.22	544.35	0.00
GNMA	2006 ABCDE Single Family	4.49	12/16/04	12/20/34	62,881.13	63,653.19			(329.00)		62,552.13	63,690.22	366.03	0.00
GNMA	2006 ABCDE Single Family	4.49	11/23/04	11/20/34	97,111.84	98,301.97			(478.17)		96,633.67	98,389.63	565.83	0.00
GNMA	2006 ABCDE Single Family	4.49	12/02/04	12/20/34	139,184.86	140,892.22			(714.01)		138,470.85	140,988.65	810.44	0.00
GNMA	2006 ABCDE Single Family	4.49	12/23/04	12/20/34	80,445.72	81,433.88			(385.81)		80,059.91	81,516.97	468.90	0.00
GNMA	2006 ABCDE Single Family	4.49	12/29/04	12/20/34	62,937.56	63,710.91			(359.97)		62,577.59	63,716.74	365.80	0.00
GNMA	2006 ABCDE Single Family	4.49	01/06/05	01/20/35	148,925.69	150,584.37			(9,414.65)		139,511.04	141,849.60	679.88	0.00
GNMA	2006 ABCDE Single Family	5.40	01/06/05	01/20/35	21,535.85	22,232.87			(95.05)		21,440.80	22,400.37	262.55	0.00
GNMA	2006 ABCDE Single Family	4.49	01/13/05	01/20/35	73,953.05	74,777.14			(409.05)		73,544.00	74,777.14	409.05	0.00
GNMA	2006 ABCDE Single Family	5.40	01/13/05	01/20/35	9,182.28	9,479.49			(37.10)		9,145.18	9,554.49	112.10	0.00
GNMA	2006 ABCDE Single Family	4.49	01/19/05	01/20/35	111,707.54	112,952.83			(557.52)		111,150.02	113,014.31	619.00	0.00
GNMA	2006 ABCDE Single Family	5.40	01/19/05	01/20/35	12,688.89	13,099.71			(51.26)		12,637.63	13,203.37	154.92	0.00
GNMA	2006 ABCDE Single Family	4.49	01/27/05	01/20/35	141,596.13	143,175.62			(1,015.15)		140,580.98	142,939.77	779.30	0.00
GNMA	2006 ABCDE Single Family	4.49	02/03/05	02/20/35	175,224.19	177,180.39			(941.37)		174,282.82	177,208.68	969.66	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	55,224.22	56,841.02			(262.19)		54,962.03	55,885.02	306.19	0.00
GNMA	2006 ABCDE Single Family	4.49	02/10/05	02/20/35	144,502.11	146,116.08			(738.41)		143,763.70	146,177.96	800.29	0.00
GNMA	2006 ABCDE Single Family	5.40	02/17/05	11/20/34	5,009.02	5,174.41			(20.54)		4,988.48	5,214.07	60.20	0.00
GNMA	2006 ABCDE Single Family	4.49	02/17/05	02/20/35	54,394.79	55,002.70			(285.10)		54,109.69	55,018.73	301.13	0.00
GNMA	2006 ABCDE Single Family	4.49	02/24/05	02/20/35	87,970.46	88,954.00			(477.95)		87,492.51	88,962.77	486.72	0.00
GNMA	2006 ABCDE Single Family	4.49	03/03/05	03/20/35	84,735.35	85,683.49			(416.85)		84,318.50	85,736.20	469.56	0.00
GNMA	2006 ABCDE Single Family	4.49	03/11/05	03/20/35	30,751.08	31,095.37			(143.26)		30,607.82	31,122.65	170.54	0.00
GNMA	2006 ABCDE Single Family	5.40	03/17/05	02/20/35	6,069.52	6,266.35			(25.81)		6,043.71	6,314.59	74.05	0.00
GNMA	2006 ABCDE Single Family	4.49	03/17/05	03/20/35	51,376.40	51,951.81			(251.57)		51,124.83	51,985.01	284.77	0.00
GNMA	2006 ABCDE Single Family	4.49	03/24/05	03/20/35	46,234.01	46,752.13			(236.63)		45,997.38	46,771.54	256.04	0.00
GNMA	2006 ABCDE Single Family	4.49	04/07/05	04/20/35	64,580.99	65,305.58			(7,663.53)		56,917.46	57,876.20	234.15	0.00
GNMA	2006 ABCDE Single Family	4.49	04/14/05	04/20/35	48,399.89	49,078.44			(229.14)		48,170.75	49,155.38	306.08	0.00
GNMA	2006 ABCDE Single Family	5.40	04/21/05	04/20/35	5,139.24	5,296.44			(20.75)		5,118.49	5,338.26	62.57	0.00
GNMA	2006 ABCDE Single Family	4.49	04/21/05	04/20/35	72,754.20	73,571.35			(336.84)		72,417.36	73,638.03	403.52	0.00
GNMA	2006 ABCDE Single Family	4.49	04/28/05	04/20/35	70,543.38	71,336.13			(328.82)		70,214.56	71,398.52	391.21	0.00
GNMA	2006 ABCDE Single Family	5.40	04/28/05	04/20/35	6,394.18	6,601.78			(26.84)		6,367.34	6,652.95	78.01	0.00
GNMA	2006 ABCDE Single Family	4.49	05/05/05	05/20/35	106,770.98	107,971.67			(550.06)		106,220.92	108,012.98	591.37	0.00
GNMA	2006 ABCDE Single Family	5.40	05/05/05	04/20/35	5,277.36	5,436.85			(22.40)		5,254.96	5,480.66	64.21	0.00
GNMA	2006 ABCDE Single Family	5.40	07/07/05	07/20/35	5,648.83	5,832.59			(24.25)		5,624.58	5,877.23	68.89	0.00
GNMA	2006 ABCDE Single Family	5.40	05/26/05	05/20/35	7,772.35	8,024.92			(30.98)		7,741.37	8,088.86	94.92	0.00
GNMA	2006 ABCDE Single Family	4.49	05/26/05	05/20/35	25,944.38	26,236.59			(121.72)		25,822.66	26,258.73	143.86	0.00
GNMA	2006 ABCDE Single Family	5.40	06/09/05	05/20/35	3,626.03	3,743.87			(17.60)		3,608.43	3,770.41	44.14	0.00
GNMA	2006 ABCDE Single Family	5.40	08/11/05	07/20/35	3,103.98	3,205.02			(12.09)		3,091.89	3,230.84	37.91	0.00
FNMA	2006 ABCDE Single Family	4.49	12/23/04	12/01/34	15,390.51	15,518.73			(80.92)		15,309.59	15,535.98	98.17	0.00
FNMA	2006 ABCDE Single Family	4.49	01/19/05	01/01/35	15,308.09	15,435.79			(76.42)		15,231.67	15,457.06	97.69	0.00
FNMA	2006 ABCDE Single Family	4.49	01/27/05	01/01/35	14,083.44	14,187.21			(78.79)		14,004.65	14,192.07	83.65	0.00
FNMA	2006 ABCDE Single Family	4.49	03/14/05	12/01/34	16,731.85	16,871.74			(89.40)		16,642.45	16,889.03	106.69	0.00
FNMA	2006 ABCDE Single Family	5.40	03/24/05	02/01/35	9,135.04	9,412.18			(5,055.15)		4,079.89	4,242.22	(114.81)	0.00
FNMA	2006 ABCDE Single Family	4.49	04/07/05	02/01/35	14,469.67	14,576.73			(97.03)		14,372.64	14,565.43	85.73	0.00
FNMA	2006 ABCDE Single Family	5.40	07/14/05	04/01/35	5,440.27	5,600.88			(22.01)		5,418.26	5,629.41	50.54	0.00
	2006 ABCDE Single Family Total				258,070,863.12	265,736,826.95	9,136,402.67	(12,451,865.47)	(5,221,540.62)	0.00	249,533,859.70	260,138,185.70	2,939,362.17	0.00
Repo Agmt	2006 FGH Single Family	0.18	05/29/09	06/01/09	806,215.65	806,215.65	387.49				806,603.14	806,603.14	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	2006 FGH Single Family	0.18	05/29/09	06/01/09	87,346.76	87,346.76	2,081.96				89,428.72	89,428.72	-	0.00
Repo Agmt	2006 FGH Single Family	0.18	05/29/09	06/01/09	5,268,629.44	5,268,629.44		(5,268,615.56)			13.88	13.88	-	0.00
GICs	2006 FGH Single Family	4.33	05/25/07	02/26/36	574,743.71	574,743.71	4,250,349.34				4,825,093.05	4,825,093.05	-	0.00
Repo Agmt	2006 FGH Single Family				530,596.54	530,596.54		(530,596.54)					-	0.00
Freddie Mac	2006 FGH Single Family	5.49	05/28/08	05/01/38	255,827.02	264,275.84			(1,002.46)		254,824.56	265,477.29	2,203.91	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/28/08	04/01/38	157,137.37	161,398.69			(569.45)		156,567.92	162,060.50	1,231.26	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/18/08	02/01/38	43,171.32	44,799.99			(131.30)		43,040.02	45,075.78	407.09	0.00
Freddie Mac	2006 FGH Single Family	5.49	06/18/08	05/01/38	147,809.16	152,692.94			(459.23)		147,349.93	153,512.10	1,278.39	0.00
Freddie Mac	2006 FGH Single Family	5.15	06/18/08	05/01/38	79,510.74	81,668.26			(271.47)		79,239.27	82,020.39	623.60	0.00
Freddie Mac	2006 FGH Single Family	5.70	06/25/08	04/01/38	130,363.23	135,282.23			(493.73)		129,869.50	136,013.18	1,224.68	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/09/08	04/01/37	112,205.42	115,251.16			(402.07)		111,803.35	115,727.99	878.90	0.00
Freddie Mac	2006 FGH Single Family	5.15	07/16/08	06/01/38	164,758.00	169,232.29			(607.81)		164,150.19	169,905.01	1,280.53	0.00
Freddie Mac	2006 FGH Single Family	5.70	07/16/08	06/01/38	259,787.35	269,594.25			(1,153.11)		258,634.24	270,873.72	2,432.58	0.00
Freddie Mac	2006 FGH Single Family	5.49	07/23/08	06/01/38	77,399.82	79,959.30			(238.90)		77,160.92	80,389.81	669.41	0.00
Freddie Mac	2006 FGH Single Family	5.15	08/13/08	07/01/38	80,239.29	82,419.99			(339.45)		79,899.84	82,702.74	622.20	0.00
Freddie Mac	2006 FGH Single Family	5.15	09/17/08	07/01/38	70,015.84	71,920.50			(1,252.72)		68,763.12	71,177.13	509.35	0.00
Freddie Mac	2006 FGH Single Family	5.70	10/08/08	08/01/38	106,170.18	110,184.85			(315.09)		105,855.09	110,871.34	1,001.58	0.00
Freddie Mac	2006 FGH Single Family	5.49	10/22/08	08/01/38	105,116.45	108,599.69			(320.51)		104,795.94	109,188.52	909.34	0.00
Freddie Mac	2006 FGH Single Family	5.10	11/12/08	10/01/38	179,437.93	184,169.68			(1,120.71)		178,317.22	184,408.76	1,359.79	0.00
Freddie Mac	2006 FGH Single Family	5.70	11/19/08	08/01/38	95,572.25	99,189.23			(279.90)		95,292.35	99,811.13	901.80	0.00
Freddie Mac	2006 FGH Single Family	5.15	01/14/09	11/01/38	141,859.62	145,731.60			(453.22)		141,406.40	146,383.49	1,105.11	0.00
Freddie Mac	2006 FGH Single Family	5.15	03/31/09	12/01/38			96,204.94				96,204.94	99,596.69	3,391.75	0.00
Freddie Mac	2006 FGH Single Family	5.15	05/20/09	03/01/39			158,231.22				158,231.22	163,799.90	5,568.68	0.00
GNMA	2006 FGH Single Family	5.49	01/30/07	01/20/37	5,294,488.48	5,497,063.41			(386,207.42)		4,908,281.06	5,145,486.09	34,630.10	0.00
GNMA	2006 FGH Single Family	5.15	02/13/07	01/20/37	41,274.85	42,386.12			(1,288.14)		39,986.71	41,652.61	554.63	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	02/20/37	2,355,684.20	2,445,855.71			(150,919.34)		2,204,764.86	2,311,353.02	16,416.65	0.00
GNMA	2006 FGH Single Family	5.49	02/13/07	01/20/37	182,840.86	189,839.11			(622.00)		182,218.86	191,027.75	1,810.64	0.00
GNMA	2006 FGH Single Family	5.70	02/20/07	02/20/37	483,841.97	502,473.24			(1,598.89)		482,243.08	506,754.62	5,880.27	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	414,404.54	425,564.77			(149,252.59)		265,151.95	276,200.22	(111.96)	0.00
GNMA	2006 FGH Single Family	5.15	02/20/07	01/20/37	1,286,332.25	1,335,576.21			(112,794.30)		1,173,537.95	1,230,276.98	7,495.07	0.00
GNMA	2006 FGH Single Family	5.15	03/07/07	02/20/37	753,219.79	773,517.86			(2,767.57)		750,452.22	781,735.29	10,985.00	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	03/20/37	1,304,009.74	1,353,974.25			(5,217.86)		1,298,791.88	1,361,630.84	12,874.45	0.00
GNMA	2006 FGH Single Family	5.15	03/20/07	02/20/37	120,157.78	123,397.46			(435.08)		119,722.70	124,715.06	1,752.68	0.00
GNMA	2006 FGH Single Family	5.49	03/06/07	02/20/37	2,113,281.47	2,180,839.38			(10,112.09)		2,103,169.38	2,191,568.69	20,841.40	0.00
GNMA	2006 FGH Single Family	5.49	03/20/07	02/20/37	284,307.04	295,199.96			(1,026.99)		283,280.05	296,985.27	2,812.30	0.00
GNMA	2006 FGH Single Family	5.70	04/24/07	04/20/37	505,646.57	525,152.51			(1,751.82)		503,894.75	529,542.13	6,141.44	0.00
GNMA	2006 FGH Single Family	5.15	04/24/07	04/20/37	1,546,906.57	1,585,797.78			(5,780.05)		1,541,126.52	1,602,525.08	22,507.35	0.00
GNMA	2006 FGH Single Family	5.49	04/24/07	04/20/37	1,770,743.34	1,838,658.12			(297,722.24)		1,473,021.10	1,544,347.47	3,411.59	0.00
GNMA	2006 FGH Single Family	5.15	03/27/07	03/20/37	1,277,904.31	1,309,994.07			(5,362.37)		1,272,541.94	1,323,199.97	18,568.27	0.00
GNMA	2006 FGH Single Family	5.49	03/27/07	02/20/37	401,078.73	416,448.58			(1,373.37)		399,705.36	419,046.26	3,971.05	0.00
GNMA	2006 FGH Single Family	5.15	04/10/07	04/20/37	1,761,194.79	1,805,449.71			(6,472.19)		1,754,722.60	1,824,604.98	25,627.46	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	03/20/37	1,461,466.09	1,517,494.36			(131,394.81)		1,330,071.28	1,394,453.20	8,353.65	0.00
GNMA	2006 FGH Single Family	5.49	04/10/07	02/20/37	184,542.20	191,616.81			(1,028.33)		183,513.87	192,396.44	1,807.96	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	04/20/37	381,807.35	392,122.22			(1,715.57)		380,091.78	395,962.16	5,555.51	0.00
GNMA	2006 FGH Single Family	5.15	05/08/07	03/20/37	73,276.93	75,256.42			(851.52)		72,425.41	75,449.31	1,044.41	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	733,159.74	761,289.98			(2,525.31)		730,634.43	766,023.13	7,258.46	0.00
GNMA	2006 FGH Single Family	5.49	05/08/07	04/20/37	191,673.64	199,027.87			(714.06)		190,959.58	200,208.82	1,895.01	0.00
GNMA	2006 FGH Single Family	5.70	05/08/07	04/20/37	178,183.74	183,924.52			(597.52)		177,586.22	185,492.75	2,165.75	0.00
GNMA	2006 FGH Single Family	5.15	05/22/07	05/20/37	958,839.51	984,759.32			(3,493.02)		955,346.49	995,252.16	13,985.86	0.00
GNMA	2006 FGH Single Family	5.49	05/22/07	04/20/37	537,679.26	558,317.12			(2,069.59)		535,609.67	561,560.19	5,312.66	0.00
GNMA	2006 FGH Single Family	5.70	05/22/07	04/20/37	317,527.53	329,785.88			(1,040.60)		316,486.93	332,604.65	3,859.37	0.00
GNMA	2006 FGH Single Family	5.15	06/05/07	05/20/37	1,534,832.46	1,576,345.09			(6,365.47)		1,528,466.99	1,592,334.96	22,355.34	0.00
GNMA	2006 FGH Single Family	5.70	06/05/07	05/20/37	435,031.10	451,833.05			(1,439.62)		433,591.48	455,680.36	5,286.93	0.00
GNMA	2006 FGH Single Family	5.49	06/05/07	05/20/37	1,285,800.62	1,335,175.37			(4,730.69)		1,281,069.93	1,343,160.03	12,715.35	0.00
GNMA	2006 FGH Single Family	5.15	06/19/07	06/20/37	1,298,433.52	1,333,572.48			(5,180.80)		1,293,252.72	1,347,313.90	18,922.22	0.00
GNMA	2006 FGH Single Family	5.70	06/19/07	06/20/37	430,100.38	446,718.68			(1,375.89)		428,724.49	450,572.71	5,229.92	0.00
GNMA	2006 FGH Single Family	5.15	07/03/07	06/20/37	1,404,704.41	1,442,739.78			(5,007.43)		1,399,696.98	1,458,228.45	20,496.10	0.00
GNMA	2006 FGH Single Family	5.70	07/03/07	06/20/37	418,403.61	434,576.11			(1,369.17)		417,034.44	438,293.13	5,086.19	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	07/20/37	433,068.05	449,711.96			(1,434.17)		431,633.88	452,568.68	4,290.89	0.00
GNMA	2006 FGH Single Family	5.49	07/03/07	06/20/37	448,340.29	465,570.21			(1,486.58)		446,853.71	468,525.76	4,442.13	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.15	07/17/07	06/20/37	1,066,113.06	1,094,995.83			(4,880.77)		1,061,232.29	1,105,624.63	15,509.57	0.00
GNMA	2006 FGH Single Family	5.70	07/17/07	06/20/37	400,822.18	416,321.00			(1,278.29)		399,543.89	419,916.49	4,873.78	0.00
GNMA	2006 FGH Single Family	5.15	08/07/07	07/20/37	1,308,071.48	1,344,184.74			(4,706.25)		1,303,365.23	1,358,563.29	19,084.80	0.00
GNMA	2006 FGH Single Family	5.70	08/07/07	07/20/37	526,564.67	547,200.59			(2,533.84)		524,030.83	551,025.59	6,358.84	0.00
GNMA	2006 FGH Single Family	5.49	08/07/07	06/20/37	701,094.92	728,413.16			(3,033.74)		698,061.18	732,289.66	6,910.24	0.00
GNMA	2006 FGH Single Family	5.15	11/21/07	10/20/37	915,524.88	939,205.99			(122,136.80)		793,388.08	825,575.82	8,506.63	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	556,133.67	577,996.80			(2,070.41)		554,063.26	582,674.06	6,747.67	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	06/20/37	111,446.90	115,802.56			(366.57)		111,080.33	116,539.97	1,103.98	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	65,466.80	68,025.77			(213.74)		65,253.06	68,460.76	648.73	0.00
GNMA	2006 FGH Single Family	5.49	11/21/07	10/20/37	98,860.86	102,725.14			(317.30)		98,543.56	103,387.75	979.91	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	09/20/37	463,701.90	481,797.39			(1,733.07)		461,968.83	484,648.30	4,583.98	0.00
GNMA	2006 FGH Single Family	5.15	09/25/07	09/20/37	3,636,769.21	3,737,377.31			(12,628.86)		3,624,140.35	3,777,830.53	53,082.08	0.00
GNMA	2006 FGH Single Family	5.49	09/25/07	08/20/37	772,451.33	802,593.83			(2,676.03)		769,775.30	807,564.31	7,646.51	0.00
GNMA	2006 FGH Single Family	5.70	09/25/07	09/20/37	258,861.00	269,020.39			(112,286.01)		146,574.99	154,134.03	(2,600.35)	0.00
GNMA	2006 FGH Single Family	5.15	10/09/07	09/20/37	1,216,497.46	1,250,169.78			(4,550.93)		1,211,946.53	1,263,361.14	17,742.29	0.00
GNMA	2006 FGH Single Family	5.49	10/09/07	08/20/37	79,999.93	83,122.94			(260.51)		79,739.42	83,655.17	792.74	0.00
GNMA	2006 FGH Single Family	5.15	08/23/07	08/20/37	1,233,160.05	1,267,228.23			(4,549.35)		1,228,610.70	1,280,666.19	17,987.31	0.00
GNMA	2006 FGH Single Family	5.49	08/23/07	07/20/37	857,524.62	890,954.38			(2,862.67)		854,661.95	896,585.46	8,493.75	0.00
GNMA	2006 FGH Single Family	5.70	08/23/07	08/20/37	780,032.30	810,616.31			(2,531.58)		777,500.72	817,567.54	9,482.81	0.00
GNMA	2006 FGH Single Family	5.15	09/11/07	08/20/37	824,202.45	846,989.60			(2,907.07)		821,295.38	856,110.48	12,027.95	0.00
GNMA	2006 FGH Single Family	5.70	09/11/07	08/20/37	162,492.82	168,622.45			(536.68)		161,956.14	170,058.29	1,972.52	0.00
GNMA	2006 FGH Single Family	5.49	09/11/07	08/20/37	548,358.05	569,747.94			(1,869.99)		546,488.06	573,307.56	5,429.61	0.00
GNMA	2006 FGH Single Family	5.70	11/21/07	11/20/37	359,818.45	373,963.90			(1,111.65)		358,706.80	377,229.76	4,377.51	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	748,820.46	768,196.58			(3,236.28)		745,584.18	775,839.60	10,879.30	0.00
GNMA	2006 FGH Single Family	5.15	11/28/07	11/20/37	169,690.81	174,397.51			(585.63)		169,105.18	176,288.97	2,477.09	0.00
GNMA	2006 FGH Single Family	5.49	11/28/07	11/20/37	141,938.56	147,488.01			(452.74)		141,485.82	148,442.31	1,407.04	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	336,578.50	345,919.04			(1,158.11)		335,420.39	349,674.39	4,913.46	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	11/20/37	362,198.18	376,445.18			(1,117.98)		361,080.20	379,733.78	4,406.58	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	78,182.81	80,352.50			(265.58)		77,917.23	81,228.39	1,141.47	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	246,333.42	255,968.08			(787.14)		245,546.28	257,622.79	2,441.85	0.00
GNMA	2006 FGH Single Family	5.70	10/25/07	10/20/37	949,697.38	987,002.63			(111,932.22)		837,765.16	880,999.06	5,928.65	0.00
GNMA	2006 FGH Single Family	5.15	10/25/07	10/20/37	2,085,587.60	2,143,355.12			(11,997.07)		2,073,590.53	2,161,598.12	30,240.07	0.00
GNMA	2006 FGH Single Family	5.15	11/08/07	10/20/37	593,990.62	610,452.51			(2,046.07)		591,944.55	617,077.32	8,670.88	0.00
GNMA	2006 FGH Single Family	5.70	11/08/07	10/20/37	469,511.36	487,961.73			(1,460.98)		468,050.38	492,212.17	5,711.42	0.00
GNMA	2006 FGH Single Family	5.49	11/08/07	09/20/37	414,469.10	430,663.36			(1,352.99)		413,116.11	433,417.41	4,107.04	0.00
GNMA	2006 FGH Single Family	5.49	01/16/08	12/20/37	246,542.46	256,195.40			(802.74)		245,739.72	257,835.92	2,443.26	0.00
GNMA	2006 FGH Single Family	5.70	12/28/07	12/20/37	235,637.08	244,910.52			(729.33)		234,907.75	247,047.95	2,866.76	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	151,531.41	157,458.15			(609.17)		150,922.24	158,344.93	1,495.95	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	406,879.76	422,793.74			(1,307.36)		405,572.40	425,519.35	4,032.97	0.00
GNMA	2006 FGH Single Family	5.70	12/11/07	12/20/37	405,425.74	421,373.52			(1,266.62)		404,159.12	425,038.60	4,931.70	0.00
GNMA	2006 FGH Single Family	5.49	12/11/07	11/20/37	435,802.48	452,847.70			(1,909.78)		433,892.70	455,232.50	4,294.58	0.00
GNMA	2006 FGH Single Family	5.15	12/11/07	11/20/37	88,763.02	91,226.33			(350.09)		88,412.93	92,170.12	1,293.88	0.00
GNMA	2006 FGH Single Family	5.49	12/20/07	11/20/37	159,306.27	165,538.60			(508.16)		158,798.11	166,609.67	1,579.23	0.00
GNMA	2006 FGH Single Family	5.70	12/20/07	12/20/37	209,219.93	217,451.98			(770.72)		208,449.21	219,220.24	2,538.98	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	01/20/38	67,874.37	69,750.20			(228.29)		67,646.08	70,526.05	1,004.14	0.00
GNMA	2006 FGH Single Family				82,014.99	85,244.31			(82,014.99)				(3,229.32)	0.00
GNMA	2006 FGH Single Family	5.15	01/16/08	12/20/37	815,954.84	838,631.88			(2,814.49)		813,140.35	847,728.94	11,911.55	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	189,334.78	196,750.84			(648.42)		188,686.36	197,977.18	1,874.76	0.00
GNMA	2006 FGH Single Family	5.49	01/30/08	12/20/37	175,638.85	182,518.45			(556.71)		175,082.14	183,703.10	1,741.36	0.00
GNMA	2006 FGH Single Family	5.15	01/30/08	12/20/37	270,116.14	277,627.43			(933.85)		269,182.29	280,636.76	3,943.18	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	104,882.12	108,979.28			(331.30)		104,550.82	109,704.86	1,056.88	0.00
GNMA	2006 FGH Single Family	5.70	01/30/08	12/20/37	76,398.77	79,408.24			(232.77)		76,166.00	80,105.15	929.68	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	73,909.57	75,953.34			(248.66)		73,660.91	76,798.13	1,093.45	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	121,265.65	126,002.82			(482.58)		120,783.07	126,737.31	1,217.07	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	01/20/38	1,310,823.66	1,362,030.23			(4,342.34)		1,306,481.32	1,370,886.89	13,199.00	0.00
GNMA	2006 FGH Single Family	5.49	02/13/08	12/20/37	161,710.51	168,047.11			(512.41)		161,198.10	169,137.82	1,603.12	0.00
GNMA	2006 FGH Single Family	5.15	04/08/08	03/20/38	152,496.52	156,722.91			(508.25)		151,988.27	158,471.06	2,256.40	0.00
GNMA	2006 FGH Single Family	5.15	04/17/08	03/20/38	114,250.92	117,418.53			(378.90)		113,872.02	118,730.23	1,690.60	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	292,269.74	303,708.60			(932.08)		291,337.66	305,721.37	2,944.85	0.00
GNMA	2006 FGH Single Family	5.15	03/12/08	02/20/38	328,067.17	337,149.54			(1,096.89)		326,970.28	340,906.62	4,853.97	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2006 FGH Single Family	5.49	03/12/08	02/20/38	217,695.29	226,206.52			(894.74)		216,800.55	227,495.30	2,183.52	0.00
GNMA	2006 FGH Single Family	5.49	03/12/08	03/20/38	366,063.47	380,375.85			(1,146.19)		364,917.28	382,918.99	3,689.33	0.00
GNMA	2006 FGH Single Family	5.70	02/19/08	12/20/37	108,432.29	112,706.01			(330.38)		108,101.91	113,695.13	1,319.50	0.00
GNMA	2006 FGH Single Family	5.15	02/19/08	02/20/38	131,611.86	135,252.19			(439.22)		131,172.64	136,760.38	1,947.41	0.00
GNMA	2006 FGH Single Family	5.49	02/19/08	02/20/38	180,251.75	187,294.51			(569.97)		179,681.78	188,541.07	1,816.53	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	184,753.43	191,973.83			(580.13)		184,173.30	193,255.61	1,861.91	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	01/20/38	193,994.93	201,576.29			(613.09)		193,381.84	202,918.06	1,954.86	0.00
GNMA	2006 FGH Single Family	5.49	02/27/08	02/20/38	270,102.92	280,658.89			(846.06)		269,256.86	282,534.99	2,722.16	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	02/20/38	154,337.93	160,373.38			(490.29)		153,847.64	161,438.24	1,555.15	0.00
GNMA	2006 FGH Single Family	5.49	03/20/08	03/20/38	204,959.30	212,974.54			(1,828.41)		203,130.89	213,153.25	2,007.12	0.00
GNMA	2006 FGH Single Family	5.70	03/27/08	03/20/38	207,445.36	215,633.02			(845.48)		206,599.88	217,307.23	2,519.69	0.00
GNMA	2006 FGH Single Family	5.49	04/17/08	03/20/38	145,356.28	151,045.23			(454.75)		144,901.53	152,055.50	1,465.02	0.00
GNMA	2006 FGH Single Family	5.70	04/22/08	12/20/37	120,891.10	125,664.38			(369.36)		120,521.74	126,766.16	1,471.14	0.00
GNMA	2006 FGH Single Family	5.49	04/22/08	03/20/38	113,229.30	117,661.47			(390.30)		112,839.00	118,410.61	1,139.44	0.00
GNMA	2006 FGH Single Family	5.15	04/22/08	04/20/38	84,739.38	87,089.31			(279.32)		84,460.06	88,063.98	1,253.99	0.00
GNMA	2006 FGH Single Family	5.49	04/22/08	03/20/38	118,488.44	123,126.47			(368.61)		118,119.83	123,952.19	1,194.33	0.00
GNMA	2006 FGH Single Family	5.49	05/07/08	04/20/38	483,059.39	501,976.56			(2,087.06)		480,972.33	504,729.78	4,840.28	0.00
GNMA	2006 FGH Single Family	5.15	05/14/08	04/20/38	537,705.44	551,629.05			(1,834.89)		535,870.55	557,730.53	7,936.37	0.00
GNMA	2006 FGH Single Family	5.49	05/14/08	04/20/38	489,738.14	508,920.97			(1,537.18)		488,200.96	512,319.61	4,935.82	0.00
GNMA	2006 FGH Single Family	5.49	05/21/08	04/20/38	129,175.13	134,235.82			(399.34)		128,775.79	135,138.67	1,302.19	0.00
GNMA	2006 FGH Single Family	5.15	05/21/08	05/20/38	550,693.75	565,983.52			(1,814.19)		548,879.56	572,318.85	8,149.52	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	05/20/38	354,292.04	368,175.47			(1,088.55)		353,203.49	370,658.85	3,571.93	0.00
GNMA	2006 FGH Single Family	5.49	05/28/08	04/20/38	77,546.53	80,585.22			(239.72)		77,306.81	81,127.24	781.74	0.00
GNMA	2006 FGH Single Family	5.15	06/11/08	05/20/38	284,614.35	292,523.05			(950.66)		283,663.69	295,784.12	4,211.73	0.00
GNMA	2006 FGH Single Family	5.70	07/09/08	06/20/38	254,089.66	264,148.53			(772.74)		253,316.92	266,475.91	3,100.12	0.00
GNMA	2006 FGH Single Family	5.49	07/09/08	06/20/38	335,816.49	349,095.74			(1,041.55)		334,874.94	351,440.50	3,386.31	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	148,419.20	152,549.41			(484.27)		147,934.93	154,261.85	2,196.71	0.00
GNMA	2006 FGH Single Family	5.15	07/16/08	06/20/38	75,227.40	77,320.83			(259.00)		74,968.40	78,174.66	1,112.83	0.00
GNMA	2006 FGH Single Family	5.70	07/16/08	11/20/37	68,181.00	70,879.67			(208.93)		67,972.07	71,500.32	829.58	0.00
GNMA	2006 FGH Single Family	5.15	06/18/08	06/20/38	415,153.22	426,693.15			(1,363.05)		413,790.17	431,474.16	6,144.06	0.00
GNMA	2006 FGH Single Family	5.49	06/25/08	05/20/38	111,659.97	116,038.93			(343.43)		111,316.54	116,821.24	1,125.74	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	187,770.07	192,990.85			(768.92)		187,001.15	194,994.32	2,772.39	0.00
GNMA	2006 FGH Single Family	5.15	06/25/08	06/20/38	100,021.46	102,802.47			(325.81)		99,695.65	103,957.04	1,480.38	0.00
GNMA	2006 FGH Single Family	5.70	06/25/08	05/20/38	1,070,274.03	1,112,625.88			(103,096.46)		967,177.57	1,017,402.82	7,873.40	0.00
GNMA	2006 FGH Single Family	5.49	07/16/08	07/20/38	261,990.49	272,271.55			(796.13)		261,194.36	274,117.59	2,642.17	0.00
GNMA	2006 FGH Single Family	5.70	07/23/08	07/20/38	194,833.01	202,549.32			(1,566.07)		193,266.94	203,309.83	2,326.58	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	443,152.33	460,546.30			(1,350.65)		441,801.68	463,664.19	4,468.54	0.00
GNMA	2006 FGH Single Family	5.49	07/23/08	07/20/38	207,948.89	216,111.00			(1,033.54)		206,915.35	217,154.54	2,077.08	0.00
GNMA	2006 FGH Single Family	5.15	07/23/08	07/20/38	149,037.44	153,186.09			(556.45)		148,480.99	154,832.51	2,202.87	0.00
GNMA	2006 FGH Single Family	5.49	07/29/08	07/20/38	162,662.49	169,048.10			(517.39)		162,145.10	170,170.04	1,639.33	0.00
GNMA	2006 FGH Single Family	5.15	07/29/08	07/20/38	235,247.94	241,797.85			(762.93)		234,485.01	244,517.24	3,482.32	0.00
GNMA	2006 FGH Single Family	5.70	08/27/08	06/20/38	84,795.39	88,156.99			(249.88)		84,545.51	88,942.15	1,035.04	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	08/20/38	104,105.68	108,196.04			(557.40)		103,548.28	108,676.54	1,037.90	0.00
GNMA	2006 FGH Single Family	5.49	08/13/08	07/20/38	223,925.76	232,720.38			(682.38)		223,243.38	234,296.00	2,258.00	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	07/20/38	459,136.57	471,928.23			(1,718.77)		457,417.80	476,995.71	6,786.25	0.00
GNMA	2006 FGH Single Family	5.15	08/13/08	08/20/38	366,307.63	376,513.05			(1,185.90)		365,121.73	380,749.67	5,422.52	0.00
GNMA	2006 FGH Single Family	5.70	08/20/08	08/20/38	113,156.72	117,641.95			(343.63)		112,813.09	118,679.00	1,380.68	0.00
GNMA	2006 FGH Single Family	5.15	08/27/08	07/20/38	142,911.15	146,894.92			(462.72)		142,448.43	148,547.61	2,115.41	0.00
GNMA	2006 FGH Single Family	5.49	08/27/08	07/20/38	88,874.14	92,366.05			(269.68)		88,604.46	92,992.62	896.25	0.00
GNMA	2006 FGH Single Family	5.70	09/10/08	08/20/38	120,672.46	125,458.39			(883.47)		119,788.99	126,020.44	1,445.52	0.00
GNMA	2006 FGH Single Family	5.15	09/10/08	08/20/38	294,015.34	302,215.86			(962.70)		293,052.64	305,604.85	4,351.69	0.00
GNMA	2006 FGH Single Family	5.15	09/24/08	08/20/38	87,570.59	90,014.52			(281.75)		87,288.84	91,029.03	1,296.26	0.00
GNMA	2006 FGH Single Family	5.70	09/24/08	08/20/38	102,344.35	106,405.09			(296.22)		102,048.13	107,358.33	1,249.46	0.00
GNMA	2006 FGH Single Family	5.70	10/08/08	09/20/38	157,642.89	163,900.23			(454.60)		157,188.29	165,370.45	1,924.82	0.00
GNMA	2006 FGH Single Family	5.15	10/08/08	09/20/38	356,353.39	366,304.10			(1,243.38)		355,110.01	370,331.92	5,271.20	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	09/20/38	65,767.14	68,378.20			(217.32)		65,549.82	68,962.45	801.57	0.00
GNMA	2006 FGH Single Family	5.15	10/15/08	05/20/38	169,364.43	174,094.77			(1,237.43)		168,127.00	175,334.71	2,477.37	0.00
GNMA	2006 FGH Single Family	5.70	10/15/08	05/20/38	109,584.08	113,934.51			(323.29)		109,260.79	114,948.75	1,337.53	0.00
GNMA	2006 FGH Single Family	5.15	10/22/08	09/20/38	278,254.48	286,028.71			(1,043.54)		277,210.94	289,098.07	4,112.90	0.00
GNMA	2006 FGH Single Family	5.49	10/22/08	08/20/38	131,025.18	136,181.63			(395.78)		130,629.40	137,107.32	1,321.47	0.00

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GNMA	2006 FGH Single Family	5.15	11/12/08	09/20/38	115,283.88	118,507.59			(368.82)		114,915.06	119,845.54	1,706.77	0.00
GNMA	2006 FGH Single Family	5.49	11/12/08	10/20/38	121,553.67	126,340.32			(764.42)		120,789.25	126,782.27	1,206.37	0.00
GNMA	2006 FGH Single Family	5.49	11/25/08	10/20/38	149,023.21	154,893.93			(443.81)		148,579.40	155,953.46	1,503.34	0.00
GNMA	2006 FGH Single Family	5.15	11/25/08	10/20/38	110,964.64	114,069.30			(352.89)		110,611.75	115,359.34	1,642.93	0.00
GNMA	2006 FGH Single Family	5.70	11/25/08	09/20/38	77,864.33	80,959.26			(313.54)		77,550.79	81,591.85	946.13	0.00
GNMA	2006 FGH Single Family	5.49	12/10/08	11/20/38	222,843.23	231,625.81			(659.55)		222,183.68	233,214.52	2,248.26	0.00
GNMA	2006 FGH Single Family	5.15	12/17/08	09/20/38	162,451.80	167,000.89			(522.26)		161,929.54	168,883.69	2,405.06	0.00
GNMA	2006 FGH Single Family	5.15	03/11/09	02/20/39			375,139.72				375,139.72	391,294.71	16,154.99	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	01/20/39			141,490.31				141,490.31	148,531.17	7,040.86	0.00
GNMA	2006 FGH Single Family	5.49	03/18/09	02/20/39			102,088.88				102,088.88	107,169.04	5,080.16	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	03/20/39			144,799.51				144,799.51	151,039.88	6,240.37	0.00
GNMA	2006 FGH Single Family	5.15	04/08/09	02/20/39			73,160.75				73,160.75	76,313.73	3,152.98	0.00
GNMA	2006 FGH Single Family	5.15	12/30/08	12/20/38	127,964.57	131,549.93			(402.13)		127,562.44	133,042.70	1,894.90	0.00
GNMA	2006 FGH Single Family	5.70	01/14/09	12/20/38	67,577.96	70,268.02			(190.75)		67,387.21	70,902.68	825.41	0.00
GNMA	2006 FGH Single Family	5.15	01/14/09	12/20/38	144,453.22	148,503.12			(455.15)		143,998.07	150,187.01	2,139.04	0.00
GNMA	2006 FGH Single Family	5.15	05/20/09	05/20/39			291,026.83				291,026.83	303,583.25	12,556.42	0.00
FNMA	2006 FGH Single Family	5.49	01/30/07	01/01/37	1,163,693.79	1,198,735.02			(5,912.57)		1,157,781.22	1,203,678.85	10,856.40	0.00
FNMA	2006 FGH Single Family	5.70	02/13/07	01/01/37	196,711.25	203,329.54			(658.69)		196,052.56	204,899.29	2,228.44	0.00
FNMA	2006 FGH Single Family	5.15	02/13/07	01/01/37	166,935.97	171,207.39			(1,565.82)		165,370.15	170,845.36	1,203.79	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	1,305,093.92	1,344,677.83			(5,053.31)		1,300,040.61	1,351,992.17	12,367.65	0.00
FNMA	2006 FGH Single Family	5.49	02/13/07	02/01/37	90,126.37	92,840.91			(646.01)		89,480.36	93,028.26	833.36	0.00
FNMA	2006 FGH Single Family	5.49	02/20/07	02/01/37	1,219,566.99	1,256,303.33			(4,478.16)		1,215,088.83	1,263,271.00	11,445.83	0.00
FNMA	2006 FGH Single Family	5.15	02/21/07	02/01/37	209,263.55	214,574.94			(774.40)		208,489.15	215,349.08	1,548.54	0.00
FNMA	2006 FGH Single Family	5.49	03/07/07	02/01/37	2,421,531.21	2,494,491.13			(9,032.10)		2,412,499.11	2,508,180.03	22,721.00	0.00
FNMA	2006 FGH Single Family	5.49	03/06/07	01/01/37	232,356.36	239,405.73			(1,413.43)		230,942.93	240,173.69	2,181.39	0.00
FNMA	2006 FGH Single Family	5.15	03/20/07	02/01/37	337,503.40	346,073.51			(1,344.14)		336,159.26	347,223.76	2,494.39	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	1,582,053.00	1,629,727.94			(6,019.61)		1,576,033.39	1,638,547.91	14,839.58	0.00
FNMA	2006 FGH Single Family	5.49	03/20/07	02/01/37	82,456.90	84,941.73			(283.24)		82,173.66	85,433.13	774.64	0.00
FNMA	2006 FGH Single Family	5.15	03/27/07	12/01/36	110,137.78	112,957.83			(474.51)		109,663.27	113,296.03	812.71	0.00
FNMA	2006 FGH Single Family	5.70	04/10/07	03/01/37	459,441.08	474,911.24			(1,616.73)		457,824.35	478,495.85	5,201.34	0.00
FNMA	2006 FGH Single Family	5.15	04/10/07	03/01/37	418,993.87	429,637.57			(1,544.55)		417,449.32	431,193.77	3,100.75	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	03/01/37	2,575,278.92	2,652,911.21			(9,971.12)		2,565,307.80	2,667,089.38	24,149.29	0.00
FNMA	2006 FGH Single Family	5.49	04/10/07	04/20/37	364,133.94	377,421.28			(1,274.53)		362,859.41	379,558.74	3,411.99	0.00
FNMA	2006 FGH Single Family	5.70	04/24/07	04/01/37	62,739.87	64,852.88			(275.03)		62,464.84	65,285.69	707.84	0.00
FNMA	2006 FGH Single Family	5.15	04/24/07	03/01/37	553,831.65	567,904.06			(3,133.75)		550,697.90	568,832.96	4,062.65	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	1,122,311.75	1,156,152.22			(3,936.10)		1,118,375.65	1,162,756.74	10,540.62	0.00
FNMA	2006 FGH Single Family	5.49	04/24/07	04/01/37	327,036.52	336,897.47			(111,228.70)		215,807.82	224,371.82	(1,296.95)	0.00
FNMA	2006 FGH Single Family	5.15	05/08/07	04/01/37	312,042.10	319,973.07			(1,693.22)		310,348.88	320,571.26	2,291.41	0.00
FNMA	2006 FGH Single Family	5.49	05/08/07	05/01/37	237,268.76	244,424.72			(802.42)		236,466.34	245,851.87	2,229.57	0.00
FNMA	2006 FGH Single Family	5.49	05/22/07	04/01/37	285,048.09	293,646.53			(978.72)		284,069.37	295,345.79	2,677.98	0.00
FNMA	2006 FGH Single Family	5.70	05/22/07	04/01/37	231,263.63	239,055.24			(809.84)		230,453.79	240,863.74	2,618.34	0.00
FNMA	2006 FGH Single Family	5.15	06/05/07	05/01/37	607,019.39	622,583.82			(134,632.74)		472,386.65	488,052.31	101.23	0.00
FNMA	2006 FGH Single Family	5.70	06/19/07	06/01/37	554,949.37	573,654.49			(3,025.45)		551,923.92	576,853.29	6,224.25	0.00
FNMA	2006 FGH Single Family	5.49	06/19/07	06/01/37	871,071.80	897,360.17			(3,195.46)		867,876.34	902,340.26	8,175.55	0.00
FNMA	2006 FGH Single Family	5.70	07/03/07	06/01/37	544,312.81	562,662.79			(2,088.30)		542,224.51	566,729.00	6,154.51	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	05/01/37	635,059.63	654,228.60			(4,067.38)		630,992.25	656,052.65	5,891.43	0.00
FNMA	2006 FGH Single Family	5.49	07/03/07	06/01/37	288,163.44	296,861.82			(1,031.79)		287,131.65	298,535.63	2,705.60	0.00
FNMA	2006 FGH Single Family	5.15	07/17/07	06/01/37	503,918.31	516,742.70			(1,819.27)		502,099.04	518,654.02	3,730.59	0.00
FNMA	2006 FGH Single Family	5.70	08/07/07	07/01/37	1,005,202.30	1,044,076.99			(3,308.59)		1,001,893.71	1,052,152.90	11,384.50	0.00
FNMA	2006 FGH Single Family	5.15	08/07/07	06/01/37	211,368.62	217,786.56			(752.06)		210,616.56	218,594.02	1,559.52	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	959,455.87	993,161.48			(3,253.26)		956,202.61	998,909.02	9,000.80	0.00
FNMA	2006 FGH Single Family	5.49	08/07/07	07/01/37	157,422.24	162,952.47			(520.40)		156,901.84	163,909.47	1,477.40	0.00
FNMA	2006 FGH Single Family	5.49	08/23/07	07/01/37	472,145.50	488,738.85			(1,693.13)		470,452.37	491,470.90	4,425.18	0.00
FNMA	2006 FGH Single Family	5.70	08/23/07	06/01/37	266,150.36	276,446.95			(875.58)		265,274.78	278,585.45	3,014.08	0.00
FNMA	2006 FGH Single Family	5.15	09/11/07	08/01/37	604,807.10	623,192.07			(2,377.64)		602,429.46	625,268.97	4,454.54	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	620,072.64	641,876.48			(2,615.21)		617,457.43	645,055.47	5,794.20	0.00
FNMA	2006 FGH Single Family	5.49	09/11/07	08/01/37	152,334.32	157,690.91			(502.54)		151,831.78	158,618.10	1,429.73	0.00
FNMA	2006 FGH Single Family	5.70	09/25/07	09/01/37	396,000.27	411,334.09			(1,678.53)		394,321.74	414,121.38	4,465.82	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	535,848.43	554,697.37			(1,827.98)		534,020.45	557,895.92	5,026.53	0.00
FNMA	2006 FGH Single Family	5.49	09/25/07	08/01/37	526,998.42	545,536.07			(1,768.95)		525,229.47	548,711.91	4,944.79	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2006 FGH Single Family	5.15	09/25/07	08/01/37	238,267.66	245,513.51			(1,462.98)		236,804.68	245,785.47	1,734.94	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	05/01/37	207,111.04	215,412.24			(954.85)		206,156.19	216,400.77	1,943.38	0.00
FNMA	2006 FGH Single Family	5.49	10/09/07	09/01/37	316,232.96	328,909.86			(1,044.52)		315,188.44	330,853.53	2,988.19	0.00
FNMA	2006 FGH Single Family	5.15	10/25/07	10/01/37	984,348.90	1,015,346.78			(4,760.28)		979,588.62	1,023,365.49	12,778.99	0.00
FNMA	2006 FGH Single Family	5.49	10/25/07	10/01/37	874,872.50	909,957.50			(4,178.57)		870,693.93	913,981.88	8,202.95	0.00
FNMA	2006 FGH Single Family	5.70	10/25/07	10/01/37	452,198.46	471,520.02			(1,479.24)		450,719.22	477,049.79	7,009.01	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	257,635.20	267,970.39			(856.83)		256,778.37	269,547.79	2,434.23	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	10/01/37	232,963.12	242,308.56			(907.80)		232,055.32	243,595.28	2,194.52	0.00
FNMA	2006 FGH Single Family	5.49	11/08/07	09/01/37	82,262.78	85,562.71			(266.74)		81,996.04	86,073.56	777.59	0.00
FNMA	2006 FGH Single Family	5.70	11/21/07	10/01/37	494,288.72	515,421.20			(3,311.32)		490,977.40	519,671.87	7,561.99	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	05/01/37	135,537.56	140,975.59			(453.07)		135,084.49	141,802.73	1,280.21	0.00
FNMA	2006 FGH Single Family	5.49	11/21/07	10/01/37	471,855.79	490,790.50			(78,554.22)		393,301.57	412,864.79	628.51	0.00
FNMA	2006 FGH Single Family	5.70	11/28/07	10/01/37	101,613.84	105,958.81			(352.54)		101,261.30	107,180.02	1,573.75	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	11/01/37	817,875.43	843,666.70			(3,829.04)		814,046.39	850,461.40	10,623.74	0.00
FNMA	2006 FGH Single Family	5.49	12/11/07	11/01/37	711,301.19	739,857.85			(3,232.71)		708,068.48	743,302.77	6,677.63	0.00
FNMA	2006 FGH Single Family	5.15	12/11/07	12/01/37	339,334.45	350,035.89			(116,478.69)		222,855.76	232,825.07	(732.13)	0.00
FNMA	2006 FGH Single Family	5.70	12/11/07	11/01/37	327,114.84	341,105.28			(1,015.37)		326,099.47	345,164.51	5,073.60	0.00
FNMA	2006 FGH Single Family	5.49	12/20/07	10/01/37	150,760.15	156,813.84			(486.74)		150,273.41	157,752.30	1,425.20	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	12/01/37	218,225.33	225,110.58			(748.88)		217,476.45	227,208.57	2,846.87	0.00
FNMA	2006 FGH Single Family	5.15	12/28/07	11/01/37	216,004.24	222,819.20			(737.54)		215,266.70	224,899.70	2,818.04	0.00
FNMA	2006 FGH Single Family	5.70	12/28/07	12/01/37	213,036.39	222,152.03			(659.60)		212,376.79	224,796.79	3,304.36	0.00
FNMA	2006 FGH Single Family	5.49	12/28/07	01/01/36	85,436.60	88,832.09			(316.02)		85,120.58	89,392.64	876.57	0.00
FNMA	2006 FGH Single Family	5.49	01/16/08	12/01/37	257,385.41	267,727.61			(996.43)		256,388.98	269,156.16	2,424.98	0.00
FNMA	2006 FGH Single Family	5.15	01/16/08	01/01/38	267,635.51	276,084.73			(908.67)		266,726.84	278,667.98	3,491.92	0.00
FNMA	2006 FGH Single Family	5.49	01/30/08	12/01/37	241,259.82	250,957.36			(774.18)		240,485.64	252,463.94	2,280.76	0.00
FNMA	2006 FGH Single Family	5.70	01/30/08	12/01/37	105,356.49	109,867.93			(322.75)		105,033.74	111,179.47	1,634.29	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	11/01/37	114,924.77	118,554.25			(548.95)		114,375.82	119,497.54	1,492.24	0.00
FNMA	2006 FGH Single Family	5.15	01/30/08	01/01/38	300,706.33	310,203.66			(1,102.91)		299,603.42	313,020.22	3,919.47	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	287,944.64	299,522.62			(2,253.30)		285,691.34	299,925.53	2,656.21	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	259,679.41	270,123.49			(98,028.02)		161,651.39	169,711.98	(2,383.49)	0.00
FNMA	2006 FGH Single Family	5.49	02/13/08	01/01/38	224,534.43	233,565.01			(711.16)		223,823.27	234,984.01	2,130.16	0.00
FNMA	2006 FGH Single Family	5.70	02/13/08	02/01/38	173,229.89	180,657.27			(539.33)		172,690.56	182,808.25	2,690.31	0.00
FNMA	2006 FGH Single Family	5.15	02/19/08	12/01/37	137,822.24	142,177.43			(1,020.82)		136,801.42	142,930.09	1,773.48	0.00
FNMA	2006 FGH Single Family	5.49	02/19/08	12/01/37	127,765.88	132,903.76			(407.22)		127,358.66	133,704.67	1,208.13	0.00
FNMA	2006 FGH Single Family	5.49	02/19/08	01/01/38	159,139.19	165,540.47			(504.01)		158,635.18	166,546.22	1,509.76	0.00
FNMA	2006 FGH Single Family	5.49	02/27/08	12/01/37	270,753.93	281,643.82			(1,894.36)		268,859.57	282,258.28	2,508.82	0.00
FNMA	2006 FGH Single Family	5.15	03/12/08	02/01/38	315,246.63	325,212.50			(1,060.46)		314,186.17	328,281.29	4,129.25	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	12/01/37	244,905.10	254,760.48			(1,519.74)		243,385.36	255,519.45	2,278.71	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	413,803.18	430,456.16			(1,393.64)		412,409.54	432,971.28	3,908.76	0.00
FNMA	2006 FGH Single Family	5.49	03/20/08	02/01/38	213,927.87	222,539.28			(677.21)		213,250.66	223,891.44	2,029.37	0.00
FNMA	2006 FGH Single Family	5.15	03/27/08	03/01/38	234,103.26	241,509.72			(988.15)		233,115.11	243,567.47	3,045.90	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	01/01/38	126,978.92	132,092.45			(402.75)		126,576.17	132,894.21	1,204.51	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	02/01/38	111,252.31	115,732.63			(440.10)		110,812.21	116,343.51	1,050.98	0.00
FNMA	2006 FGH Single Family	5.49	04/08/08	03/01/38	199,367.83	207,396.71			(702.02)		198,665.81	208,582.62	1,887.93	0.00
FNMA	2006 FGH Single Family	5.15	04/17/08	03/01/38	121,770.53	125,624.11			(408.86)		121,361.67	126,810.46	1,595.21	0.00
FNMA	2006 FGH Single Family	5.70	04/22/08	12/01/37	102,537.04	106,935.74			(314.00)		102,223.04	108,212.29	1,590.55	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	02/01/38	186,143.83	193,642.50			(588.99)		185,554.84	194,819.55	1,766.04	0.00
FNMA	2006 FGH Single Family	5.49	04/22/08	06/01/37	97,916.17	101,859.04			(323.87)		97,592.30	102,460.19	925.02	0.00
Repo Agmt	2006 FGH Single Family	0.18	05/29/09	06/01/09	3,830,845.26	3,830,845.26		(1,400,163.52)			2,430,681.74	2,430,681.74	-	0.00
Repo Agmt	2006 FGH Single Family	0.18	05/29/09	06/01/09	26,296.10	26,296.10	1,400.30				27,696.40	27,696.40	-	0.00
	2006 FGH Single Family Total				132,242,366.72	136,306,408.23	5,636,361.25	(7,199,375.62)	(2,700,690.17)	0.00	127,978,662.18	133,382,872.58	1,340,168.89	0.00
Repo Agmt	2007A Single Family	0.18	05/29/09	06/01/09	680,817.15	680,817.15	327.28				681,144.43	681,144.43	-	0.00
Repo Agmt	2007A Single Family	0.18	05/29/09	06/01/09	7,274,776.18	7,274,776.18		(6,349,520.69)			925,255.49	925,255.49	-	0.00
Inv Agmt	2007A Single Family	4.32	10/01/07	09/01/38	56,364.58	56,364.58	1,578,299.14				1,634,663.72	1,634,663.72	-	0.00
Freddie Mac	2007A Single Family	4.75	05/07/08	04/01/38	267,902.68	272,555.38			(960.66)		266,942.02	273,235.68	1,640.96	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	01/01/38	294,605.27	304,329.55			(2,239.47)		292,365.80	304,582.39	2,492.31	0.00
Freddie Mac	2007A Single Family	5.49	05/07/08	03/01/38	206,791.89	213,617.85			(663.73)		206,128.16	214,741.50	1,787.38	0.00
Freddie Mac	2007A Single Family	5.49	05/28/08	03/01/38	271,783.84	280,759.37			(1,103.43)		270,680.41	281,995.41	2,339.47	0.00
Freddie Mac	2007A Single Family	4.75	06/18/08	05/01/38	336,429.30	342,282.81			(2,793.75)		333,635.55	341,512.30	2,023.24	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Freddie Mac	2007A Single Family	5.49	06/18/08	05/01/38	366,010.48	378,103.88			(1,158.74)		364,851.74	380,109.82	3,164.68	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	06/01/38	323,123.69	333,802.08			(1,001.50)		322,122.19	335,595.01	2,794.43	0.00
Freddie Mac	2007A Single Family	4.75	06/25/08	05/01/38	76,684.68	78,019.30			(286.04)		76,398.64	78,205.03	471.77	0.00
Freddie Mac	2007A Single Family	5.49	06/25/08	03/01/38	195,997.74	202,474.55			(620.06)		195,377.68	203,548.98	1,694.49	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	06/01/38	137,471.11	142,016.32			(425.86)		137,045.25	142,779.35	1,188.89	0.00
Freddie Mac	2007A Single Family	5.49	07/16/08	05/01/38	219,188.80	226,435.62			(688.61)		218,500.19	227,642.21	1,895.20	0.00
Freddie Mac	2007A Single Family	5.49	07/23/08	06/01/38	155,340.88	160,477.72			(529.06)		154,811.82	161,290.10	1,341.44	0.00
Freddie Mac	2007A Single Family	4.75	07/23/08	07/01/38	166,987.95	169,897.82			(594.13)		166,393.82	170,326.65	1,022.96	0.00
Freddie Mac	2007A Single Family	5.49	08/13/08	07/01/38	139,886.24	144,514.21			(429.28)		139,456.96	145,295.05	1,210.12	0.00
Freddie Mac	2007A Single Family	5.49	08/20/08	04/01/38	191,809.35	198,155.94			(599.81)		191,209.54	199,214.74	1,658.61	0.00
Freddie Mac	2007A Single Family	5.49	09/17/08	07/01/38	25,809.31	26,663.85			(79.23)		25,730.08	26,807.89	223.27	0.00
Freddie Mac	2007A Single Family	5.49	10/08/08	09/01/38	126,871.01	131,073.80			(61.56)		126,809.45	132,123.53	1,111.29	0.00
Freddie Mac	2007A Single Family	5.49	10/08/08	08/01/38	114,251.88	118,036.65			(348.93)		113,902.95	118,676.05	988.33	0.00
Freddie Mac	2007A Single Family	5.49	10/22/08	08/01/38	131,366.04	135,719.11			(400.51)		130,965.53	136,455.01	1,136.41	0.00
Freddie Mac	2007A Single Family	4.75	12/30/08	11/01/38	84,279.46	85,758.19			(290.39)		83,989.07	85,984.26	516.46	0.00
FNMA	2007A Single Family	6.25	02/20/98	01/01/28	114,248.51	119,869.63			(1,696.87)		112,551.64	120,266.02	2,093.26	0.00
FNMA	2007A Single Family	6.25	03/27/98	03/01/28	219,833.04	230,717.02			(2,136.94)		217,696.10	232,971.88	4,391.80	0.00
FNMA	2007A Single Family	6.25	06/29/98	05/01/28	56,090.45	58,867.53			(2,132.94)		53,957.51	57,743.75	1,009.16	0.00
GNMA	2007A Single Family	6.25	02/20/98	01/20/28	1,136,438.49	1,192,555.71			(10,479.70)		1,125,958.79	1,205,777.96	23,701.95	0.00
FNMA	2007A Single Family	6.25	11/30/98	09/01/28	250,019.47	262,397.95			(1,707.53)		248,311.94	265,736.01	5,045.59	0.00
GNMA	2007A Single Family	6.25	03/27/98	03/20/28	2,452,105.64	2,573,190.56			(40,830.72)		2,411,274.92	2,582,210.16	49,850.32	0.00
GNMA	2007A Single Family	6.25	05/19/98	05/20/28	1,419,960.94	1,490,078.56			(12,957.34)		1,407,003.60	1,506,746.08	29,624.86	0.00
GNMA	2007A Single Family	5.45	07/28/00	06/20/30	1,063,271.77	1,095,552.65			(8,598.60)		1,054,673.17	1,098,420.96	11,466.91	0.00
GNMA	2007A Single Family	6.25	08/14/98	07/20/28	894,868.40	939,057.02			(8,406.79)		886,461.61	949,302.90	18,652.67	0.00
GNMA	2007A Single Family	6.25	06/29/98	06/20/28	437,989.54	459,617.48			(3,091.47)		434,898.07	465,728.02	9,202.01	0.00
GNMA	2007A Single Family	6.25	09/18/98	09/20/28	666,605.45	699,522.43			(4,658.82)		661,946.63	708,872.01	14,008.40	0.00
FNMA	2007A Single Family	6.25	03/31/99	11/01/28	116,619.19	122,392.92			(3,599.87)		113,019.32	120,949.80	2,156.75	0.00
GNMA	2007A Single Family	6.25	11/30/98	11/20/28	524,088.92	549,958.41			(3,584.73)		520,504.19	557,402.72	11,019.04	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	458,595.93	481,241.34			(3,409.94)		455,185.99	487,454.07	9,622.67	0.00
GNMA	2007A Single Family	6.25	11/30/98	10/20/28	155,185.20	162,848.30			(1,017.04)		154,168.16	165,097.20	3,265.94	0.00
FNMA	2007A Single Family	6.25	05/27/99	11/01/28	82,943.07	87,023.85			(16,585.61)		66,357.46	70,905.58	467.34	0.00
GNMA	2007A Single Family	6.25	02/16/99	02/20/29	906,176.82	951,050.68			(68,611.62)		837,565.20	896,948.56	14,509.50	0.00
GNMA	2007A Single Family	6.25	03/31/99	02/20/29	58,656.00	61,560.65			(982.90)		57,673.10	61,762.13	1,184.38	0.00
GNMA	2007A Single Family	6.25	05/27/99	05/20/29	335,914.53	352,549.02			(2,286.21)		333,628.32	357,282.56	7,019.75	0.00
GNMA	2007A Single Family	5.45	07/30/99	07/20/29	612,679.79	631,801.49			(4,618.12)		608,061.67	633,606.31	6,422.94	0.00
GNMA	2007A Single Family	5.45	08/26/99	08/20/29	660,769.09	681,391.64			(4,954.88)		655,814.21	683,364.92	6,928.16	0.00
FNMA	2007A Single Family	5.45	09/20/99	08/01/29	101,173.54	104,481.56			(643.07)		100,530.47	104,774.52	936.03	0.00
GNMA	2007A Single Family	5.45	09/20/99	09/20/29	326,970.56	337,175.31			(2,164.98)		324,805.58	338,450.66	3,440.33	0.00
FNMA	2007A Single Family	5.45	12/20/99	12/01/29	363,012.99	374,879.88			(3,003.66)		360,009.33	375,205.32	3,329.10	0.00
FNMA	2007A Single Family	5.45	01/19/00	12/01/29	259,871.44	268,366.64			(4,086.50)		255,784.94	266,581.62	2,301.48	0.00
GNMA	2007A Single Family	5.45	10/28/99	10/20/29	1,181,593.00	1,218,470.47			(9,502.80)		1,172,090.20	1,221,329.64	12,361.97	0.00
GNMA	2007A Single Family	5.45	11/18/99	11/20/29	169,280.41	174,563.62			(4,164.47)		165,115.94	172,052.42	1,653.27	0.00
GNMA	2007A Single Family	5.45	12/30/99	12/20/29	2,144,425.08	2,211,352.56			(20,071.12)		2,124,353.96	2,213,598.05	22,316.61	0.00
GNMA	2007A Single Family	5.45	01/28/00	01/20/30	720,208.80	742,074.38			(4,526.47)		715,682.33	745,368.86	7,820.95	0.00
GNMA	2007A Single Family	5.45	02/22/00	01/20/30	304,135.21	313,368.70			(1,934.39)		302,200.82	314,736.05	3,301.74	0.00
GNMA	2007A Single Family	5.45	03/27/00	02/20/30	421,131.45	433,917.02			(3,551.18)		417,580.27	434,901.53	4,535.69	0.00
FNMA	2007A Single Family	5.45	04/27/00	03/01/30	272,214.94	280,574.65			(2,030.51)		270,184.43	281,132.29	2,588.15	0.00
GNMA	2007A Single Family	5.45	04/27/00	04/20/30	490,930.77	505,835.44			(3,701.76)		487,229.01	507,439.28	5,305.60	0.00
GNMA	2007A Single Family	5.45	05/30/00	04/20/30	92,844.09	95,662.88			(572.26)		92,271.83	96,099.32	1,008.70	0.00
GNMA	2007A Single Family	5.45	06/21/00	05/20/30	567,847.45	585,087.28			(3,659.85)		564,187.60	587,590.07	6,162.64	0.00
GNMA	2007A Single Family	5.45	09/18/00	09/20/30	942,913.58	971,540.38			(6,089.62)		936,823.96	975,663.37	10,232.61	0.00
FNMA	2007A Single Family	5.45	07/24/00	06/01/30	137,845.43	142,078.63			(2,529.25)		135,316.18	140,799.16	1,249.78	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	710,190.15	736,613.82			(2,312.07)		707,878.08	741,315.36	7,013.61	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	171,640.08	175,241.10			(634.28)		171,005.80	177,030.19	2,423.37	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	634,819.01	659,632.87			(2,539.84)		632,279.17	663,360.61	6,267.58	0.00
GNMA	2007A Single Family	4.75	09/25/07	08/20/37	346,029.88	353,199.20			(2,042.62)		343,987.26	356,015.27	4,858.69	0.00
GNMA	2007A Single Family	5.49	09/25/07	09/20/37	2,276,508.82	2,364,892.71			(7,976.04)		2,268,532.78	2,379,449.58	22,532.91	0.00
GNMA	2007A Single Family	4.75	09/25/07	09/20/37	6,388,669.27	6,521,047.97			(25,957.29)		6,362,711.98	6,585,206.53	90,115.85	0.00
GNMA	2007A Single Family	5.49	09/25/07	08/20/37	133,698.79	138,889.28			(434.83)		133,263.96	139,779.43	1,324.98	0.00
GNMA	2007A Single Family	5.49	10/09/07	09/20/37	958,742.09	996,171.12			(3,384.31)		955,357.78	1,002,274.45	9,487.64	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	4.75	10/09/07	09/20/37	2,155,292.41	2,200,408.12			(8,220.12)		2,147,072.29	2,222,608.48	30,420.48	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	471,292.92	489,666.80			(2,697.18)		468,595.74	491,582.64	4,613.02	0.00
GNMA	2007A Single Family	5.49	08/23/07	08/20/37	1,780,820.97	1,850,248.26			(6,157.27)		1,774,663.70	1,861,719.60	17,628.61	0.00
GNMA	2007A Single Family	4.75	08/23/07	08/20/37	4,604,505.76	4,700,647.19			(262,306.43)		4,342,199.33	4,494,730.45	56,389.69	0.00
GNMA	2007A Single Family	5.49	09/11/07	09/20/37	461,519.29	482,213.41			(1,475.11)		460,044.18	485,306.35	4,568.05	0.00
GNMA	2007A Single Family	5.49	09/11/07	08/20/37	1,080,190.90	1,128,623.42			(5,284.57)		1,074,906.33	1,133,928.65	10,589.80	0.00
GNMA	2007A Single Family	4.75	09/11/07	08/20/37	4,962,810.97	5,082,646.73			(19,745.36)		4,943,065.61	5,132,589.13	69,687.76	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	476,977.11	486,984.11			(2,062.11)		474,915.00	491,645.87	6,723.87	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	400,673.50	415,581.15			(1,309.80)		399,363.70	418,228.01	3,956.66	0.00
GNMA	2007A Single Family	5.49	11/21/07	10/20/37	1,316,884.41	1,368,358.88			(4,786.40)		1,312,098.01	1,376,597.86	13,025.38	0.00
GNMA	2007A Single Family	4.75	11/21/07	10/20/37	133,669.04	136,473.42			(491.37)		133,177.67	137,869.41	1,887.36	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	612,134.87	636,076.87			(2,743.64)		609,391.23	639,362.46	6,029.23	0.00
GNMA	2007A Single Family	4.75	12/11/07	11/20/37	1,259,113.92	1,285,560.07			(4,797.07)		1,254,316.85	1,298,535.61	17,772.61	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	807,397.74	838,933.61			(2,610.74)		804,787.00	844,324.65	8,001.78	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,634,157.46	1,694,910.65			(5,556.78)		1,628,600.68	1,705,480.79	16,126.92	0.00
GNMA	2007A Single Family	4.75	10/25/07	09/20/37	1,338,784.37	1,366,830.65			(4,987.35)		1,333,797.02	1,380,743.72	18,900.42	0.00
GNMA	2007A Single Family	5.49	10/25/07	10/20/37	1,549,069.82	1,609,574.38			(5,529.24)		1,543,540.58	1,619,371.77	15,326.63	0.00
GNMA	2007A Single Family	4.75	10/25/07	10/20/37	1,189,823.14	1,214,751.28			(4,621.56)		1,185,201.58	1,226,920.54	16,790.82	0.00
GNMA	2007A Single Family	4.75	11/08/07	10/20/37	374,914.88	382,775.58			(1,389.99)		373,524.89	386,678.78	5,293.19	0.00
GNMA	2007A Single Family	4.75	12/28/07	12/20/37	403,547.97	412,031.92			(1,482.54)		402,065.43	416,247.55	5,698.17	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	136,453.16	141,792.87			(1,077.77)		135,375.39	142,036.18	1,321.08	0.00
GNMA	2007A Single Family	5.49	12/28/07	12/20/37	135,265.11	140,558.33			(428.84)		134,836.27	141,470.53	1,341.04	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	443,041.54	460,369.90			(2,152.17)		440,889.37	462,573.28	4,355.55	0.00
GNMA	2007A Single Family	5.49	12/11/07	11/20/37	541,467.07	562,645.07			(93,850.64)		447,616.43	469,631.20	836.77	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	1,826,443.04	1,864,807.15			(6,790.83)		1,819,652.21	1,883,802.79	25,786.47	0.00
GNMA	2007A Single Family	4.75	12/11/07	12/20/37	121,173.13	123,718.35			(440.34)		120,732.79	124,989.14	1,711.13	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	472,938.50	482,877.37			(1,724.15)		471,214.35	487,831.63	6,678.41	0.00
GNMA	2007A Single Family	5.49	12/20/07	12/20/37	223,313.53	232,050.40			(819.80)		222,493.73	233,439.06	2,208.46	0.00
GNMA	2007A Single Family	4.75	12/20/07	12/20/37	243,813.72	248,937.50			(886.01)		242,927.71	251,494.50	3,443.01	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	301,283.15	307,448.52			(1,088.61)		300,194.54	310,776.45	4,416.54	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	187,763.17	195,117.47			(598.72)		187,164.45	196,379.94	1,861.19	0.00
GNMA	2007A Single Family	5.49	01/30/08	11/20/37	49,365.56	51,299.11			(157.78)		49,207.78	51,630.64	489.31	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	293,191.25	299,191.04			(1,059.32)		292,131.93	302,429.63	4,297.91	0.00
GNMA	2007A Single Family	4.75	01/16/08	01/20/38	778,508.31	794,427.41			(3,270.19)		775,238.12	802,554.02	11,396.80	0.00
GNMA	2007A Single Family	5.49	01/16/08	12/20/37	198,931.04	206,719.84			(635.56)		198,295.36	208,056.18	1,972.02	0.00
GNMA	2007A Single Family	4.75	01/16/08	12/20/37	100,089.10	102,195.38			(363.72)		99,725.38	103,245.10	1,413.44	0.00
GNMA	2007A Single Family	4.75	01/30/08	01/20/38	555,812.26	567,186.23			(2,254.62)		553,557.64	573,070.64	8,139.03	0.00
GNMA	2007A Single Family	5.49	01/30/08	01/20/38	304,275.69	316,157.25			(961.39)		303,314.30	318,261.95	3,066.09	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	291,396.30	302,810.01			(2,593.01)		288,803.29	303,023.83	2,806.83	0.00
GNMA	2007A Single Family	5.49	02/19/08	02/20/38	225,982.40	234,811.94			(741.43)		225,240.97	236,346.59	2,276.08	0.00
GNMA	2007A Single Family	5.49	01/30/08	12/20/37	53,604.83	55,704.48			(324.67)		53,280.16	55,903.65	523.84	0.00
GNMA	2007A Single Family	5.49	02/13/08	01/20/38	90,934.01	94,486.29			(286.77)		90,647.24	95,115.87	916.35	0.00
GNMA	2007A Single Family	4.75	02/13/08	01/20/38	160,459.77	163,745.86			(740.42)		159,719.35	165,351.99	2,346.55	0.00
GNMA	2007A Single Family	4.75	02/13/08	12/20/37	101,960.00	104,108.81			(1,503.02)		100,456.98	104,005.57	1,399.78	0.00
GNMA	2007A Single Family	5.49	04/08/08	04/20/38	176,721.20	183,636.05			(922.00)		175,799.20	184,477.14	1,763.09	0.00
GNMA	2007A Single Family	5.49	04/08/08	11/20/37	292,121.38	303,585.61			(1,093.16)		291,028.22	305,380.25	2,887.80	0.00
GNMA	2007A Single Family	4.75	04/08/08	03/20/38	729,218.93	742,382.90			(2,621.49)		726,597.44	750,407.45	10,646.04	0.00
GNMA	2007A Single Family	4.75	04/08/08	04/20/38	252,318.04	257,501.20			(903.98)		251,414.06	260,296.73	3,699.51	0.00
GNMA	2007A Single Family	5.49	03/12/08	03/20/38	434,118.71	451,091.91			(1,376.42)		432,742.29	454,089.87	4,374.38	0.00
GNMA	2007A Single Family	5.49	03/20/08	01/20/38	174,957.54	181,799.14			(566.19)		174,391.35	182,995.35	1,762.40	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	125,397.21	127,966.15			(451.37)		124,945.84	129,353.21	1,838.43	0.00
GNMA	2007A Single Family	4.75	02/19/08	12/20/37	113,673.85	116,070.23			(420.85)		113,253.00	117,254.43	1,605.05	0.00
GNMA	2007A Single Family	5.49	02/19/08	01/20/38	344,082.75	357,526.32			(1,174.92)		342,907.83	359,814.33	3,462.93	0.00
GNMA	2007A Single Family	4.75	02/19/08	02/20/38	221,023.13	225,551.10			(941.78)		220,081.35	227,844.56	3,235.24	0.00
GNMA	2007A Single Family	5.49	02/19/08	10/20/37	147,400.63	153,177.12			(472.94)		146,927.69	154,165.14	1,460.96	0.00
GNMA	2007A Single Family	4.75	02/27/08	02/20/38	98,978.43	101,007.07			(355.55)		98,622.88	102,102.56	1,451.04	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	220,183.33	228,788.38			(1,131.65)		219,051.68	229,853.98	2,197.25	0.00
GNMA	2007A Single Family	5.49	02/27/08	02/20/38	173,660.04	180,446.90			(590.30)		173,069.74	181,604.49	1,747.89	0.00
GNMA	2007A Single Family	4.75	03/20/08	12/20/37	116,520.60	118,980.85			(423.31)		116,097.29	120,202.99	1,645.45	0.00
GNMA	2007A Single Family	4.75	03/20/08	03/20/38	92,587.38	94,487.32			(330.70)		92,256.68	95,514.06	1,357.44	0.00

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GNMA	2007A Single Family	5.49	03/27/08	03/20/38	416,345.50	432,630.81			(1,304.36)		415,041.14	435,522.56	4,196.11	0.00
GNMA	2007A Single Family	5.49	03/27/08	02/20/38	180,500.76	187,560.84			(585.19)		179,915.57	188,793.84	1,818.19	0.00
GNMA	2007A Single Family	4.75	04/15/08	03/20/38	197,479.35	201,537.43			(743.75)		196,735.60	203,687.66	2,893.98	0.00
GNMA	2007A Single Family	4.75	04/15/08	02/20/38	114,725.66	117,083.11			(485.36)		114,240.30	118,277.10	1,679.37	0.00
GNMA	2007A Single Family	5.49	04/15/08	03/20/38	233,610.71	242,753.28			(727.80)		232,882.91	244,380.14	2,354.66	0.00
GNMA	2007A Single Family	5.49	04/24/08	04/20/38	522,694.61	543,156.25			(1,638.05)		521,056.56	546,786.76	5,268.56	0.00
GNMA	2007A Single Family	4.75	04/24/08	04/20/38	352,658.89	359,909.46			(1,337.37)		351,321.52	363,740.26	5,168.17	0.00
GNMA	2007A Single Family	4.75	04/22/08	03/20/38	157,069.68	160,298.50			(565.20)		156,504.48	162,036.05	2,302.75	0.00
GNMA	2007A Single Family	5.49	04/22/08	04/20/38	97,262.35	101,069.62			(302.85)		96,959.50	101,747.13	980.36	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	335,794.22	348,944.31			(79,313.71)		256,480.51	269,149.27	(481.33)	0.00
GNMA	2007A Single Family	5.49	05/07/08	04/20/38	161,252.53	167,567.36			(522.75)		160,729.78	168,668.97	1,624.36	0.00
GNMA	2007A Single Family	4.75	05/07/08	05/20/38	603,087.08	615,495.73			(2,147.79)		600,939.29	622,190.49	8,842.55	0.00
GNMA	2007A Single Family	5.49	05/14/08	04/20/38	146,932.99	152,688.30			(454.22)		146,478.77	153,715.28	1,481.20	0.00
GNMA	2007A Single Family	4.75	05/14/08	05/20/38	281,570.35	287,366.05			(1,008.21)		280,562.14	290,486.09	4,128.25	0.00
GNMA	2007A Single Family	4.75	05/21/08	05/20/38	141,112.74	144,018.36			(810.78)		140,301.96	145,265.70	2,058.12	0.00
GNMA	2007A Single Family	5.49	05/28/08	05/20/38	350,956.64	364,709.37			(1,183.26)		349,773.38	367,059.22	3,533.11	0.00
GNMA	2007A Single Family	5.49	05/28/08	04/20/38	282,245.80	293,305.70			(1,198.77)		281,047.03	294,936.11	2,829.18	0.00
GNMA	2007A Single Family	4.75	05/28/08	04/20/38	31,363.82	32,009.85			(114.13)		31,249.69	32,355.50	459.78	0.00
GNMA	2007A Single Family	5.49	06/11/08	05/20/38	492,101.06	511,391.97			(1,624.06)		490,477.00	514,724.24	4,956.33	0.00
GNMA	2007A Single Family	5.49	07/09/08	07/20/38	231,985.87	241,087.78			(810.80)		231,175.07	242,611.06	2,334.08	0.00
GNMA	2007A Single Family	5.49	07/09/08	06/20/38	188,261.56	195,647.76			(578.22)		187,683.34	196,967.64	1,898.10	0.00
GNMA	2007A Single Family	4.75	07/09/08	06/20/38	235,589.34	240,453.18			(827.15)		234,762.19	243,080.88	3,454.85	0.00
GNMA	2007A Single Family	4.75	07/16/08	06/20/38	169,801.70	173,308.73			(611.36)		169,190.34	175,186.94	2,489.57	0.00
GNMA	2007A Single Family	5.49	07/16/08	05/20/38	116,062.53	120,616.95			(586.79)		115,475.74	121,188.94	1,158.78	0.00
GNMA	2007A Single Family	5.49	06/18/08	05/20/38	244,026.90	253,595.08			(764.19)		243,262.71	255,290.46	2,459.57	0.00
GNMA	2007A Single Family	4.75	06/18/08	04/20/38	114,818.16	117,185.78			(407.78)		114,410.38	118,461.58	1,683.58	0.00
GNMA	2007A Single Family	5.49	06/18/08	06/20/38	184,906.53	192,156.82			(566.10)		184,340.43	193,455.05	1,864.33	0.00
GNMA	2007A Single Family	5.49	06/25/08	06/20/38	216,982.18	225,491.77			(664.79)		216,317.39	227,014.71	2,187.73	0.00
GNMA	2007A Single Family	5.49	07/23/08	06/20/38	107,912.32	112,147.82			(337.14)		107,575.18	112,698.41	1,087.73	0.00
GNMA	2007A Single Family	4.75	07/23/08	07/20/38	121,682.14	124,196.33			(555.83)		121,126.31	125,420.39	1,779.89	0.00
GNMA	2007A Single Family	4.75	08/27/08	08/20/38	79,384.43	81,027.78			(275.55)		79,108.88	81,916.54	1,164.31	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	299,979.74	311,761.36			(1,570.87)		298,408.87	313,183.20	2,992.71	0.00
GNMA	2007A Single Family	4.75	08/13/08	07/20/38	72,992.11	74,502.00			(264.37)		72,727.74	75,307.79	1,070.16	0.00
GNMA	2007A Single Family	4.75	08/13/08	06/20/38	274,218.00	279,890.11			(965.01)		273,252.99	282,946.46	4,021.36	0.00
GNMA	2007A Single Family	5.49	08/13/08	08/20/38	95,259.58	99,000.87			(287.34)		94,972.24	99,674.35	960.82	0.00
GNMA	2007A Single Family	4.75	08/20/08	08/20/38	296,388.22	302,521.67			(1,040.21)		295,348.01	305,828.07	4,346.61	0.00
GNMA	2007A Single Family	4.75	08/27/08	07/20/38	1,192,971.54	1,217,667.50			(4,831.99)		1,188,139.55	1,230,307.94	17,472.43	0.00
GNMA	2007A Single Family	5.49	08/27/08	08/20/38	90,141.80	93,683.51			(271.80)		89,870.00	94,320.83	909.12	0.00
GNMA	2007A Single Family	5.49	09/10/08	07/20/38	410,445.47	426,578.55			(98,702.19)		311,743.28	327,187.40	(688.96)	0.00
GNMA	2007A Single Family	4.75	09/24/08	06/20/38	193,314.24	197,322.07			(678.51)		192,635.73	199,478.44	2,834.88	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	201,998.85	209,943.11			(608.90)		201,390.95	211,371.30	2,037.09	0.00
GNMA	2007A Single Family	5.49	09/24/08	08/20/38	29,465.53	30,624.21			(153.90)		29,311.63	30,764.23	293.92	0.00
GNMA	2007A Single Family	5.49	09/24/08	09/20/38	86,384.92	89,781.85			(259.28)		86,125.64	90,393.87	871.30	0.00
GNMA	2007A Single Family	4.75	10/08/08	09/20/38	114,159.18	116,527.84			(394.01)		113,765.17	117,808.31	1,674.48	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	356,099.49	370,111.04			(11,099.78)		344,999.71	362,105.69	3,094.43	0.00
GNMA	2007A Single Family	5.49	10/15/08	09/20/38	105,016.06	109,148.16			(319.49)		104,696.57	109,887.70	1,059.03	0.00
GNMA	2007A Single Family	4.75	10/22/08	09/20/38	261,654.14	267,087.18			(909.62)		260,744.52	270,015.30	3,837.74	0.00
GNMA	2007A Single Family	5.49	10/22/08	09/20/38	347,773.78	361,460.30			(1,070.04)		346,703.74	363,896.78	3,506.52	0.00
GNMA	2007A Single Family	5.49	10/29/08	09/20/38	128,047.32	133,087.66			(383.71)		127,663.61	133,995.54	1,291.59	0.00
GNMA	2007A Single Family	4.75	10/29/08	10/20/38	238,685.18	243,643.26			(842.11)		237,843.07	246,301.58	3,500.43	0.00
GNMA	2007A Single Family	4.75	11/25/08	11/20/38	99,650.51	101,723.59			(340.00)		99,310.51	102,845.45	1,461.86	0.00
GNMA	2007A Single Family	5.49	12/10/08	09/20/38	158,758.64	165,015.56			(475.59)		158,283.05	166,141.22	1,601.25	0.00
GNMA	2007A Single Family	4.75	12/10/08	11/20/38	78,277.69	79,907.43			(312.36)		77,965.33	80,741.80	1,146.73	0.00
GNMA	2007A Single Family	4.75	12/17/08	11/20/38	112,624.98	114,970.76			(384.29)		112,240.69	116,238.70	1,652.23	0.00
GNMA	2007A Single Family	4.75	12/30/08	12/20/38	339,892.63	346,976.93			(1,844.88)		338,047.75	350,093.96	4,961.91	0.00
GNMA	2007A Single Family	4.75	12/30/08	11/20/38	190,319.96	194,286.75			(700.32)		189,619.64	196,376.67	2,790.24	0.00
GNMA	2007A Single Family	5.49	01/14/09	12/20/38	253,477.38	263,477.69			(748.20)		252,729.18	265,286.99	2,557.50	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	95,347.34	97,336.31			(323.49)		95,023.85	98,411.68	1,398.86	0.00
GNMA	2007A Single Family	4.75	01/14/09	12/20/38	81,758.85	83,464.36			(280.06)		81,478.79	84,383.71	1,199.41	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	601,240.73	620,067.04			(2,031.43)		599,209.30	626,156.50	8,120.89	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.49	01/21/09	01/20/39	212,277.62	220,643.32			(623.16)		211,654.46	222,173.11	2,152.95	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	402,822.96	415,436.32			(1,242.06)		401,580.90	419,640.50	5,446.24	0.00
GNMA	2007A Single Family	5.15	01/21/09	01/20/39	261,626.34	268,939.39			(820.71)		260,805.63	272,022.35	3,903.67	0.00
GNMA	2007A Single Family	4.75	01/21/09	12/20/38	98,044.72	100,090.67			(332.62)		97,712.10	101,196.50	1,438.45	0.00
GNMA	2007A Single Family	5.25	01/21/09	01/20/39	763,577.84	787,487.31			(2,353.34)		761,224.50	795,457.73	10,323.76	0.00
GNMA	2007A Single Family	4.75	01/21/09	01/20/39	119,199.81	121,649.82			(402.24)		118,797.57	123,020.77	1,773.19	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	516,041.10	540,185.37			(3,428.97)		512,612.13	541,983.49	5,227.09	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	304,317.98	315,013.73			(1,034.87)		303,283.11	316,833.29	2,854.43	0.00
FNMA	2007A Single Family	5.49	08/23/07	08/01/37	462,969.87	479,241.71			(1,907.01)		461,062.86	481,662.37	4,327.67	0.00
FNMA	2007A Single Family	4.75	08/23/07	08/01/37	1,667,495.29	1,701,759.05			(6,766.83)		1,660,728.46	1,705,018.23	10,026.01	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	855,852.33	895,402.78			(3,084.91)		852,767.42	900,305.19	7,987.32	0.00
FNMA	2007A Single Family	5.49	09/11/07	08/01/37	445,213.17	465,787.28			(2,381.15)		442,832.02	467,517.83	4,111.70	0.00
FNMA	2007A Single Family	4.75	09/11/07	08/01/37	1,550,106.33	1,598,868.28			(13,676.07)		1,536,430.26	1,594,115.66	8,923.45	0.00
FNMA	2007A Single Family	5.49	09/25/07	09/01/37	1,589,526.49	1,645,442.85			(5,226.74)		1,584,299.75	1,655,133.74	14,917.63	0.00
FNMA	2007A Single Family	5.49	09/25/07	08/01/37	262,243.88	274,369.92			(1,318.71)		260,925.17	275,477.55	2,426.34	0.00
FNMA	2007A Single Family	4.75	09/25/07	09/01/37	1,944,126.97	2,005,340.98			(8,239.71)		1,935,887.26	2,008,629.73	11,528.46	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	1,133,015.48	1,178,434.92			(4,246.54)		1,128,768.94	1,184,869.57	10,681.19	0.00
FNMA	2007A Single Family	5.49	10/09/07	09/01/37	169,168.18	175,949.66			(769.26)		168,398.92	176,768.47	1,588.07	0.00
FNMA	2007A Single Family	4.75	10/09/07	09/01/37	723,907.89	741,540.29			(138,775.79)		585,132.10	606,002.64	3,238.14	0.00
FNMA	2007A Single Family	4.75	10/09/07	08/01/37	266,159.69	272,642.06			(1,217.57)		264,942.12	274,391.54	2,967.05	0.00
FNMA	2007A Single Family	5.49	10/25/07	09/01/37	1,007,405.47	1,047,805.41			(3,371.85)		1,004,034.62	1,053,949.70	9,516.14	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	499,116.57	519,132.63			(2,329.80)		496,786.77	521,485.33	4,682.50	0.00
FNMA	2007A Single Family	4.75	10/25/07	10/01/37	1,094,309.58	1,120,980.94			(4,076.30)		1,090,233.28	1,129,136.94	12,232.30	0.00
FNMA	2007A Single Family	5.49	10/25/07	10/01/37	664,145.98	690,780.21			(2,214.02)		661,931.96	694,840.96	6,274.77	0.00
FNMA	2007A Single Family	5.49	11/08/07	10/01/37	555,507.78	577,792.30			(1,823.38)		553,684.40	581,218.76	5,249.84	0.00
FNMA	2007A Single Family	4.75	11/08/07	09/01/37	105,777.08	108,356.36			(392.91)		105,384.17	109,145.89	1,182.44	0.00
FNMA	2007A Single Family	4.75	11/21/07	10/01/37	228,488.72	234,063.29			(2,392.74)		226,095.98	234,169.37	2,498.82	0.00
FNMA	2007A Single Family	5.49	11/21/07	10/01/37	596,873.16	620,824.60			(1,977.86)		594,895.30	624,485.99	5,639.25	0.00
FNMA	2007A Single Family	5.49	11/21/07	09/01/37	404,791.81	421,034.52			(1,929.68)		402,862.13	422,900.46	3,795.62	0.00
FNMA	2007A Single Family	4.75	11/28/07	09/01/37	117,901.87	120,779.00			(437.91)		117,463.96	121,656.96	1,317.87	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	870,883.25	905,846.68			(2,853.50)		868,029.75	911,223.89	8,230.71	0.00
FNMA	2007A Single Family	5.49	12/12/07	09/01/37	93,342.00	97,089.31			(303.19)		93,038.81	97,668.33	882.21	0.00
FNMA	2007A Single Family	4.75	12/11/07	12/01/37	718,589.46	736,136.18			(3,376.32)		715,213.14	740,766.82	8,006.96	0.00
FNMA	2007A Single Family	5.49	12/11/07	11/01/37	374,949.47	390,002.60			(1,243.84)		373,705.63	392,301.65	3,542.89	0.00
FNMA	2007A Single Family	4.75	12/20/07	12/01/37	214,461.46	219,699.79			(907.33)		213,554.13	221,185.94	2,393.48	0.00
FNMA	2007A Single Family	5.49	12/20/07	12/01/37	322,351.00	335,295.50			(1,065.94)		321,285.06	337,275.62	3,046.06	0.00
FNMA	2007A Single Family	5.49	12/28/07	10/01/37	147,700.67	153,632.60			(492.71)		147,207.96	154,535.37	1,395.48	0.00
FNMA	2007A Single Family	4.75	12/28/07	12/01/37	316,401.49	324,132.04			(1,456.25)		314,945.24	326,202.78	3,526.99	0.00
FNMA	2007A Single Family	5.49	12/28/07	12/01/37	89,801.55	93,408.33			(286.21)		89,515.34	93,971.24	849.12	0.00
FNMA	2007A Single Family	5.49	01/16/08	08/01/37	236,043.79	245,527.45			(1,126.15)		234,917.64	246,614.38	2,213.08	0.00
FNMA	2007A Single Family	5.49	01/30/08	09/01/37	332,250.03	345,603.56			(1,084.61)		331,165.42	347,658.97	3,140.02	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	104,704.08	107,265.53			(382.20)		104,321.88	108,053.96	1,170.63	0.00
FNMA	2007A Single Family	4.75	01/30/08	12/01/37	94,477.04	96,788.31			(344.86)		94,132.18	97,499.73	1,056.28	0.00
FNMA	2007A Single Family	5.49	01/30/08	01/01/38	725,401.71	140,265.29			(7,488.30)		717,913.41	141,117.47	8,340.48	0.00
FNMA	2007A Single Family	5.49	02/13/08	11/01/37	402,386.00	418,564.72			(2,020.54)		400,365.46	420,311.86	3,767.68	0.00
FNMA	2007A Single Family	4.75	02/13/08	01/01/38	445,550.30	456,330.16			(1,692.57)		443,857.73	459,752.09	5,114.50	0.00
FNMA	2007A Single Family	5.49	02/19/08	01/01/38	206,271.79	214,566.87			(738.05)		205,533.74	215,775.28	1,946.46	0.00
FNMA	2007A Single Family	5.49	02/27/08	02/01/38	179,667.05	186,893.74			(577.79)		179,089.26	188,014.61	1,698.66	0.00
FNMA	2007A Single Family	4.75	03/12/08	02/01/38	232,392.14	238,086.71			(850.14)		231,542.00	239,834.81	2,598.24	0.00
FNMA	2007A Single Family	5.49	03/20/08	02/01/38	300,928.29	313,041.80			(973.46)		299,954.83	314,921.97	2,853.63	0.00
FNMA	2007A Single Family	5.49	03/20/08	11/01/37	355,250.96	369,546.46			(1,143.76)		354,107.20	371,761.00	3,358.30	0.00
FNMA	2007A Single Family	4.75	03/27/08	03/01/38	203,767.66	208,706.14			(731.32)		203,036.34	210,315.48	2,340.66	0.00
FNMA	2007A Single Family	5.49	04/08/08	03/01/38	184,531.73	191,963.13			(579.30)		183,952.43	193,134.79	1,750.96	0.00
FNMA	2007A Single Family	4.75	04/08/08	02/01/38	144,008.56	147,500.22			(519.68)		143,488.88	148,634.51	1,653.97	0.00
FNMA	2007A Single Family	5.49	04/22/08	02/01/38	102,700.91	106,838.14			(323.25)		102,377.66	107,489.35	974.46	0.00
FNMA	2007A Single Family	5.49	04/22/08	04/01/38	191,490.53	199,204.99			(610.23)		190,880.30	200,411.31	1,816.55	0.00
Inv Agmt	2007A Single Family	5.06	06/05/07	09/01/09	5,153,701.73	5,153,701.73		(91,263.68)			5,062,438.05	5,062,438.05	-	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	8,429.57	8,671.71			(28.55)		8,401.02	8,711.42	68.26	0.00
Freddie Mac	2007A Single Family	5.25	12/11/07	11/01/37	5,999.80	6,172.14			(20.22)		5,979.58	6,200.52	48.60	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	22,626.30	23,276.39			(102.75)		22,523.55	23,355.92	182.28	0.00

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Freddie Mac	2007A Single Family	6.00	12/20/07	12/01/37	4,641.78	4,847.89			(14.75)		4,627.03	4,882.28	49.14	0.00
Freddie Mac	2007A Single Family	5.25	12/20/07	12/01/37	16,325.29	16,794.35			(54.80)		16,270.49	16,871.78	132.23	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	21,911.29	22,541.27			(79.64)		21,831.65	22,638.89	177.26	0.00
Freddie Mac	2007A Single Family	6.00	01/16/08	12/01/37	4,115.00	4,297.81			(11.98)		4,103.02	4,329.44	43.61	0.00
Freddie Mac	2007A Single Family	5.25	01/16/08	12/01/37	7,653.32	7,873.39			(25.69)		7,627.63	7,909.68	61.98	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	01/01/38	15,093.13	15,527.24			(61.01)		15,032.12	15,588.10	121.87	0.00
Freddie Mac	2007A Single Family	5.25	01/30/08	12/01/37	9,496.89	9,770.05			(43.15)		9,453.74	9,803.41	76.51	0.00
Freddie Mac	2007A Single Family	6.00	01/30/08	01/01/38	3,759.32	3,926.17			(11.65)		3,747.67	3,954.28	39.76	0.00
Freddie Mac	2007A Single Family	6.00	02/13/08	01/01/38	5,946.90	6,210.91			(17.51)		5,929.39	6,256.36	62.96	0.00
Freddie Mac	2007A Single Family	5.25	02/13/08	01/01/38	7,721.15	7,943.30			(25.79)		7,695.36	7,980.04	62.53	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	02/01/38	2,691.32	2,768.82			(8.91)		2,682.41	2,781.56	21.65	0.00
Freddie Mac	2007A Single Family	6.00	03/20/08	03/01/38	5,367.19	5,605.60			(16.53)		5,351.66	5,646.92	56.85	0.00
Freddie Mac	2007A Single Family	5.25	03/20/08	11/01/37	4,504.54	4,634.27			(15.98)		4,488.56	4,654.73	36.44	0.00
Freddie Mac	2007A Single Family	6.00	04/22/08	02/01/38	2,284.89	2,386.57			(6.94)		2,277.95	2,403.84	24.21	0.00
Freddie Mac	2007A Single Family	5.25	04/22/08	01/01/38	5,444.53	5,601.46			(18.11)		5,426.42	5,627.11	43.76	0.00
Freddie Mac	2007A Single Family	5.25	05/14/08	04/01/38	10,087.00	10,377.93			(33.22)		10,053.78	10,425.82	81.11	0.00
Freddie Mac	2007A Single Family	6.00	05/15/08	04/01/38	8,678.67	9,064.56			(24.74)		8,653.93	9,131.77	91.95	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	04/01/38	11,975.68	12,321.14			(39.49)		11,936.19	12,377.96	96.31	0.00
Freddie Mac	2007A Single Family	5.25	05/21/08	05/01/38	8,408.98	8,651.76			(27.66)		8,381.32	8,691.73	67.63	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	04/01/38	9,162.69	9,427.04			(30.14)		9,132.55	9,470.59	73.69	0.00
Freddie Mac	2007A Single Family	5.25	05/28/08	05/01/38	4,924.11	5,066.19			(16.00)		4,908.11	5,089.80	39.61	0.00
Freddie Mac	2007A Single Family	6.00	06/18/08	05/01/38	10,487.89	10,954.50			(30.11)		10,457.78	11,035.51	111.12	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	02/01/38	2,955.13	3,040.43			(20.39)		2,934.74	3,043.59	23.55	0.00
Freddie Mac	2007A Single Family	5.25	06/18/08	05/01/38	5,195.11	5,345.08			(16.89)		5,178.22	5,369.99	41.80	0.00
Freddie Mac	2007A Single Family	6.00	06/25/08	05/01/38	3,728.26	3,894.15			(10.52)		3,717.74	3,923.15	39.52	0.00
Freddie Mac	2007A Single Family	6.00	07/16/08	06/01/38	5,820.24	6,079.32			(17.54)		5,802.70	6,123.40	61.62	0.00
Freddie Mac	2007A Single Family	5.25	07/16/08	06/01/38	7,944.47	8,173.99			(25.94)		7,918.53	8,211.94	63.89	0.00
Freddie Mac	2007A Single Family	6.00	07/23/08	06/01/38	5,377.17	5,616.56			(15.05)		5,362.12	5,658.49	56.98	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	06/01/38	5,514.36	5,759.95			(18.48)		5,495.88	5,799.74	58.27	0.00
Freddie Mac	2007A Single Family	6.00	08/13/08	08/01/38	2,624.66	2,741.55			(7.25)		2,617.41	2,762.11	27.81	0.00
Freddie Mac	2007A Single Family	6.00	08/20/08	06/01/38	5,490.25	5,734.78			(15.43)		5,474.82	5,777.53	58.18	0.00
Freddie Mac	2007A Single Family	6.00	08/27/08	08/01/38	10,908.75	11,394.68			(39.67)		10,869.08	11,470.12	115.11	0.00
Freddie Mac	2007A Single Family	6.00	09/17/08	08/01/38	7,835.87	8,185.04			(24.78)		7,811.09	8,243.15	82.89	0.00
Freddie Mac	2007A Single Family	5.25	09/17/08	08/01/38	3,015.55	3,102.81			(10.47)		3,005.08	3,116.58	24.24	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	08/01/38	6,458.28	6,645.21			(20.61)		6,437.67	6,676.56	51.96	0.00
Freddie Mac	2007A Single Family	6.00	09/24/08	06/01/38	3,584.89	3,744.65			(10.12)		3,574.77	3,772.54	38.01	0.00
Freddie Mac	2007A Single Family	5.25	09/24/08	06/01/38	5,181.85	5,331.83			(20.24)		5,161.61	5,353.15	41.56	0.00
Freddie Mac	2007A Single Family	5.25	10/08/08	09/01/38	4,245.98	4,368.92			(47.61)		4,198.37	4,354.21	32.90	0.00
Freddie Mac	2007A Single Family	6.00	10/15/08	09/01/38	8,020.10	8,377.65			(22.02)		7,998.08	8,440.65	85.02	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	07/01/38	4,452.49	4,581.45			(14.29)		4,438.20	4,602.97	35.81	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	07/01/38	2,737.32	2,859.37			(7.62)		2,729.70	2,880.77	29.02	0.00
Freddie Mac	2007A Single Family	6.00	10/22/08	09/01/38	2,782.69	2,906.76			(7.65)		2,775.04	2,928.62	29.51	0.00
Freddie Mac	2007A Single Family	5.25	10/22/08	08/01/38	5,528.58	5,688.71			(24.78)		5,503.80	5,708.13	44.20	0.00
Freddie Mac	2007A Single Family	5.25	11/19/08	09/01/38	4,118.78	4,238.16			(13.06)		4,105.72	4,258.24	33.14	0.00
Freddie Mac	2007A Single Family	5.25	12/10/08	11/01/38	11,487.99	11,821.15			(36.64)		11,451.35	11,876.96	92.45	0.00
Freddie Mac	2007A Single Family	6.00	12/17/08	11/01/38	6,042.52	6,312.20			(16.38)		6,026.14	6,359.89	64.07	0.00
Freddie Mac	2007A Single Family	5.25	01/14/09	11/01/38	3,013.00	3,100.46			(9.45)		3,003.55	3,115.26	24.25	0.00
Freddie Mac	2007A Single Family	6.00	01/14/09	11/01/38	7,428.72	7,760.43			(20.17)		7,408.55	7,819.03	78.77	0.00
Freddie Mac	2007A Single Family	6.00	02/18/09	01/01/39	4,828.15	5,043.88			(12.99)		4,815.16	5,082.09	51.20	0.00
Freddie Mac	2007A Single Family	5.25	02/18/09	12/01/38	4,107.54	4,226.88			(12.79)		4,094.75	4,247.16	33.07	0.00
Freddie Mac	2007A Single Family	5.49	02/18/09	09/01/38	5,002.17	5,168.39			(15.14)		4,987.03	5,196.52	43.27	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	10/01/38	1,733.96	1,764.45			(6.45)		1,727.51	1,768.61	10.61	0.00
Freddie Mac	2007A Single Family	4.75	02/18/09	12/01/38	2,516.87	2,561.12			(8.96)		2,507.91	2,567.58	15.42	0.00
Freddie Mac	2007A Single Family	4.75	03/11/09	12/01/38			2,969.08				2,969.08	3,039.77	70.69	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	02/01/39			2,598.51				2,598.51	2,695.03	96.52	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	01/01/39			3,008.13				3,008.13	3,120.17	112.04	0.00
Freddie Mac	2007A Single Family	6.00	03/25/09	11/01/38			1,885.56				1,885.56	1,990.15	104.59	0.00
Freddie Mac	2007A Single Family	5.25	03/25/09	12/01/38			2,330.15				2,330.15	2,416.94	86.79	0.00
GNMA	2007A Single Family	5.25	12/28/07	12/20/37	18,891.76	19,444.13			(62.70)		18,829.06	19,630.75	249.32	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	23,645.83	24,502.02			(75.14)		23,570.69	24,671.00	244.12	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	97,651.32	100,687.28			(352.29)		97,299.03	101,624.76	1,289.77	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	17,233.91	17,769.69			(71.32)		17,162.59	17,925.59	227.22	0.00
GNMA	2007A Single Family	6.00	12/11/07	11/20/37	15,844.35	16,577.37			(49.14)		15,795.21	16,691.56	163.33	0.00
GNMA	2007A Single Family	5.25	12/11/07	12/20/37	81,291.72	83,819.15			(5,466.26)		75,825.46	79,196.60	843.71	0.00
GNMA	2007A Single Family	5.25	12/11/07	11/20/37	9,103.06	9,386.06			(30.98)		9,072.08	9,475.39	120.31	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	42,839.95	44,172.33			(143.62)		42,696.33	44,595.04	566.33	0.00
GNMA	2007A Single Family	6.00	12/20/07	12/20/37	5,988.27	6,265.40			(17.30)		5,970.97	6,309.89	61.79	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	16,221.08	16,725.58			(64.49)		16,156.59	16,875.08	213.99	0.00
GNMA	2007A Single Family	5.25	12/20/07	11/20/37	4,490.01	4,629.64			(17.29)		4,472.72	4,671.61	59.26	0.00
GNMA	2007A Single Family	5.25	12/20/07	12/20/37	6,667.28	6,874.66			(29.74)		6,637.54	6,932.71	87.79	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	19,819.05	20,737.72			(57.00)		19,762.05	20,885.67	204.95	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,561.91	14,985.84			(64.87)		14,497.04	15,115.11	194.14	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	17,431.55	17,971.67			(4,801.07)		12,630.48	13,193.12	22.52	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	12,170.86	12,525.21			(40.25)		12,130.61	12,647.81	162.85	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	5,337.39	5,584.80			(15.26)		5,322.13	5,624.74	55.20	0.00
GNMA	2007A Single Family	6.00	01/16/08	12/20/37	35,369.76	37,007.59			(102.62)		35,267.14	37,269.97	365.00	0.00
GNMA	2007A Single Family	5.25	01/16/08	12/20/37	17,090.04	17,622.07			(58.03)		17,032.01	17,789.94	225.90	0.00
GNMA	2007A Single Family	5.25	01/16/08	01/20/38	100,592.96	103,708.31			(338.41)		100,254.55	104,719.10	1,349.20	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	25,651.95	26,398.77			(85.62)		25,566.33	26,656.34	343.19	0.00
GNMA	2007A Single Family	5.25	01/30/08	12/20/37	5,217.61	5,380.13			(17.97)		5,199.64	5,431.10	68.94	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	9,973.79	10,282.99			(32.98)		9,940.81	10,383.79	133.78	0.00
GNMA	2007A Single Family	5.25	02/13/08	02/20/38	12,383.73	12,767.65			(49.94)		12,333.79	12,883.42	165.71	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	8,954.22	9,369.42			(25.71)		8,928.51	9,436.30	92.59	0.00
GNMA	2007A Single Family	6.00	01/30/08	01/20/38	4,557.53	4,768.80			(13.04)		4,544.49	4,802.90	47.14	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	10,172.94	10,488.16			(33.52)		10,139.42	10,591.11	136.47	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	4,872.64	5,023.63			(16.05)		4,856.59	5,072.94	65.36	0.00
GNMA	2007A Single Family	5.25	01/30/08	01/20/38	14,437.57	14,884.93			(57.73)		14,379.84	15,020.42	193.22	0.00
GNMA	2007A Single Family	6.00	02/13/08	01/20/38	12,300.31	12,870.67			(41.99)		12,258.32	12,955.51	126.83	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	23,710.76	24,445.82			(78.45)		23,632.31	24,685.42	318.05	0.00
GNMA	2007A Single Family	5.25	02/13/08	01/20/38	28,265.80	29,142.06			(8,896.51)		19,369.29	20,232.43	(13.12)	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	13,533.15	13,953.54			(45.15)		13,488.00	14,089.92	181.53	0.00
GNMA	2007A Single Family	5.25	04/08/08	03/20/38	4,973.79	5,128.29			(16.22)		4,957.57	5,178.80	66.73	0.00
GNMA	2007A Single Family	6.00	04/08/08	04/20/38	9,701.88	10,152.38			(31.12)		9,670.76	10,221.43	100.17	0.00
GNMA	2007A Single Family	5.25	04/08/08	04/20/38	18,127.54	18,690.68			(5,560.86)		12,566.68	13,127.53	(2.29)	0.00
GNMA	2007A Single Family	6.00	03/12/08	03/20/38	10,967.11	11,476.01			(43.06)		10,924.05	11,545.71	112.76	0.00
GNMA	2007A Single Family	5.25	03/12/08	03/20/38	22,174.92	22,863.10			(72.53)		22,102.39	23,088.06	297.49	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	18,758.42	19,302.89			(71.00)		18,687.42	19,483.10	251.21	0.00
GNMA	2007A Single Family	6.00	02/19/08	01/20/38	20,405.32	21,351.60			(6,028.33)		14,376.99	15,194.73	(128.54)	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	17,787.12	18,338.67			(68.27)		17,718.85	18,508.60	238.20	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	4,911.04	5,063.34			(16.09)		4,894.95	5,113.14	65.89	0.00
GNMA	2007A Single Family	6.00	02/19/08	02/20/38	7,353.65	7,694.70			(31.34)		7,322.31	7,738.83	75.47	0.00
GNMA	2007A Single Family	5.25	02/19/08	02/20/38	23,292.98	24,015.25			(91.50)		23,201.48	24,235.60	311.85	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	5,291.08	5,455.18			(17.70)		5,273.38	5,508.44	70.96	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	8,867.47	9,278.81			(26.05)		8,841.42	9,344.43	91.67	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	8,366.09	8,625.59			(48.95)		8,317.14	8,687.92	111.28	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	12,241.22	12,620.91			(41.71)		12,199.51	12,743.35	164.15	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	10,408.86	10,731.72			(4,168.64)		6,240.22	6,518.40	(44.68)	0.00
GNMA	2007A Single Family	6.00	02/27/08	02/20/38	10,807.68	11,308.99			(30.87)		10,776.81	11,389.91	111.79	0.00
GNMA	2007A Single Family	5.25	02/27/08	02/20/38	22,759.97	23,465.93			(116.03)		22,643.94	23,653.40	303.50	0.00
GNMA	2007A Single Family	5.25	03/20/08	03/20/38	5,010.16	5,165.69			(16.30)		4,993.86	5,216.60	67.21	0.00
GNMA	2007A Single Family	6.00	03/20/08	03/20/38	5,137.21	5,375.63			(14.81)		5,122.40	5,413.96	53.14	0.00
GNMA	2007A Single Family	5.25	03/27/08	03/20/38	10,859.86	11,197.06			(39.08)		10,820.78	11,303.52	145.54	0.00
GNMA	2007A Single Family	6.00	03/27/08	03/20/38	18,524.83	19,384.75			(52.90)		18,471.93	19,523.46	191.61	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	4,848.45	4,999.10			(15.78)		4,832.67	5,048.38	65.06	0.00
GNMA	2007A Single Family	5.25	04/15/08	03/20/38	8,131.99	8,384.68			(26.82)		8,105.17	8,466.96	109.10	0.00
GNMA	2007A Single Family	6.00	04/15/08	04/20/38	6,626.64	6,934.38			(24.93)		6,601.71	6,977.66	68.21	0.00
GNMA	2007A Single Family	5.25	04/24/08	04/20/38	8,966.68	9,245.38			(29.07)		8,937.61	9,336.63	120.32	0.00
GNMA	2007A Single Family	6.00	04/22/08	04/20/38	13,997.06	14,647.21			(39.55)		13,957.51	14,752.46	144.80	0.00
GNMA	2007A Single Family	6.00	05/07/08	04/20/38	15,952.22	16,693.47			(47.79)		15,904.43	16,810.54	164.86	0.00
GNMA	2007A Single Family	5.25	05/07/08	05/20/38	53,228.68	54,884.19			(182.01)		53,046.87	55,416.00	713.82	0.00

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GNMA	2007A Single Family	5.25	05/07/08	04/20/38	9,537.51	9,834.09			(31.17)		9,506.34	9,930.88	127.96	0.00
GNMA	2007A Single Family	5.25	05/14/08	04/20/38	18,881.95	19,469.27			(62.54)		18,819.41	19,660.03	253.30	0.00
GNMA	2007A Single Family	6.00	05/21/08	05/20/38	10,558.98	11,049.79			(29.79)		10,529.19	11,129.24	109.24	0.00
GNMA	2007A Single Family	5.25	05/21/08	05/20/38	5,640.81	5,816.33			(21.72)		5,619.09	5,870.14	75.53	0.00
GNMA	2007A Single Family	5.25	05/28/08	05/20/38	9,176.16	9,461.73			(30.02)		9,146.14	9,554.82	123.11	0.00
GNMA	2007A Single Family	6.00	05/28/08	05/20/38	9,692.11	10,142.72			(27.66)		9,664.45	10,215.31	100.25	0.00
GNMA	2007A Single Family	5.25	05/28/08	01/20/38	3,199.40	3,298.96			(17.46)		3,181.94	3,324.12	42.62	0.00
GNMA	2007A Single Family	6.00	06/11/08	06/20/38	15,601.59	16,327.18			(45.62)		15,555.97	16,442.89	161.33	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	27,986.34	28,857.75			(94.30)		27,892.04	29,138.84	375.39	0.00
GNMA	2007A Single Family	5.25	06/11/08	05/20/38	16,257.60	16,763.81			(277.82)		15,979.78	16,694.09	208.10	0.00
GNMA	2007A Single Family	6.00	07/09/08	07/20/38	36,156.86	37,839.64			(116.15)		36,040.71	38,096.74	373.25	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	58,509.32	60,332.98			(187.87)		58,321.45	60,930.31	785.20	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	20,986.67	21,640.60			(68.36)		20,918.31	21,854.04	281.60	0.00
GNMA	2007A Single Family	5.25	07/09/08	06/20/38	10,651.27	10,983.26			(34.59)		10,616.68	11,091.59	142.92	0.00
GNMA	2007A Single Family	6.00	07/16/08	07/20/38	5,339.46	5,588.01			(24.05)		5,315.41	5,618.68	54.72	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	5,681.70	5,858.83			(18.05)		5,663.65	5,917.04	76.26	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	12,850.87	13,448.65			(35.71)		12,815.16	13,545.91	132.97	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	8,760.37	9,033.22			(34.53)		8,725.84	9,115.97	117.28	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	9,279.51	9,568.53			(40.68)		9,238.83	9,651.90	124.05	0.00
GNMA	2007A Single Family	5.25	06/18/08	06/20/38	8,796.96	9,070.95			(28.48)		8,768.48	9,160.51	118.04	0.00
GNMA	2007A Single Family	6.00	06/18/08	06/20/38	5,996.00	6,274.90			(18.32)		5,977.68	6,318.53	61.95	0.00
GNMA	2007A Single Family	6.00	06/25/08	06/20/38	20,684.78	21,647.11			(84.99)		20,599.79	21,774.60	212.48	0.00
GNMA	2007A Single Family	5.25	06/25/08	06/20/38	24,377.20	25,136.64			(88.34)		24,288.86	25,374.98	326.68	0.00
GNMA	2007A Single Family	5.25	07/16/08	07/20/38	42,463.55	43,787.44			(160.05)		42,303.50	44,196.25	568.86	0.00
GNMA	2007A Single Family	6.00	07/23/08	07/20/38	25,199.01	26,372.18			(82.96)		25,116.05	26,549.24	260.02	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	58,076.41	59,887.57			(195.45)		57,880.96	60,471.12	779.00	0.00
GNMA	2007A Single Family	5.25	07/23/08	07/20/38	8,485.91	8,750.56			(27.04)		8,458.87	8,837.42	113.90	0.00
GNMA	2007A Single Family	6.00	07/29/08	07/20/38	4,789.75	5,012.78			(13.16)		4,776.59	5,049.19	49.57	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	25,287.72	26,076.49			(85.73)		25,201.99	26,329.96	339.20	0.00
GNMA	2007A Single Family	5.25	07/29/08	07/20/38	12,378.72	12,764.84			(39.44)		12,339.28	12,891.55	166.15	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	5,768.17	6,036.94			(15.76)		5,752.41	6,080.89	59.71	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	14,675.99	15,134.25			(51.15)		14,624.84	15,279.87	196.77	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	19,246.18	19,847.14			(60.86)		19,185.32	20,044.62	258.34	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	44,980.62	47,075.87			(133.21)		44,847.41	47,407.71	465.05	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	93,766.57	96,692.99			(364.72)		93,401.85	97,583.93	1,255.66	0.00
GNMA	2007A Single Family	5.25	08/13/08	07/20/38	54,280.07	55,974.14			(207.21)		54,072.86	56,493.93	727.00	0.00
GNMA	2007A Single Family	6.00	08/13/08	08/20/38	10,468.11	10,955.72			(29.25)		10,438.86	11,034.81	108.34	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	19,729.85	20,345.60			(70.14)		19,659.71	20,539.96	264.50	0.00
GNMA	2007A Single Family	5.25	08/13/08	08/20/38	24,148.12	24,901.77			(82.32)		24,065.80	25,143.33	323.88	0.00
GNMA	2007A Single Family	6.00	08/20/08	08/20/38	13,315.71	13,936.09			(36.95)		13,278.76	14,036.94	137.80	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	37,308.16	38,472.85			(164.73)		37,143.43	38,806.81	498.69	0.00
GNMA	2007A Single Family	5.25	08/20/08	08/20/38	8,547.96	8,814.82			(27.20)		8,520.76	8,902.34	114.72	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	7,431.58	7,777.87			(20.37)		7,411.21	7,834.42	76.92	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	9,069.31	9,352.50			(28.96)		9,040.35	9,445.27	121.73	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	9,310.98	9,601.73			(29.41)		9,281.57	9,697.31	124.99	0.00
GNMA	2007A Single Family	6.00	08/27/08	08/20/38	32,545.16	34,061.65			(106.74)		32,438.42	34,290.78	335.87	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	44,550.29	45,857.99			(141.94)		44,408.35	46,312.47	596.42	0.00
GNMA	2007A Single Family	5.25	08/27/08	08/20/38	10,947.07	11,288.90			(75.97)		10,871.10	11,358.02	145.09	0.00
GNMA	2007A Single Family	6.00	09/10/08	09/20/38	26,752.81	27,999.86			(84.40)		26,668.41	28,191.74	276.28	0.00
GNMA	2007A Single Family	5.25	09/10/08	09/20/38	65,172.75	67,208.88			(236.96)		64,935.79	67,845.36	873.44	0.00
GNMA	2007A Single Family	5.25	09/10/08	08/20/38	31,010.58	31,979.39			(98.84)		30,911.74	32,296.77	416.22	0.00
GNMA	2007A Single Family	5.25	09/17/08	09/20/38	16,002.41	16,502.49			(58.10)		15,944.31	16,658.87	214.48	0.00
GNMA	2007A Single Family	5.25	09/17/08	08/20/38	20,788.43	21,438.06			(65.65)		20,722.78	21,651.46	279.05	0.00
GNMA	2007A Single Family	5.25	09/24/08	07/20/38	4,300.16	4,434.57			(13.66)		4,286.50	4,478.63	57.72	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	13,930.39	14,579.96			(39.15)		13,891.24	14,684.94	144.13	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	24,328.66	25,089.13			(96.19)		24,232.47	25,318.63	325.69	0.00
GNMA	2007A Single Family	5.25	09/24/08	08/20/38	3,455.64	3,563.66			(11.20)		3,444.44	3,598.84	46.38	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	10,044.10	10,358.05			(31.53)		10,012.57	10,461.36	134.84	0.00
GNMA	2007A Single Family	6.00	09/24/08	09/20/38	16,822.71	17,607.15			(46.58)		16,776.13	17,734.67	174.10	0.00
GNMA	2007A Single Family	5.25	09/24/08	09/20/38	30,970.18	31,938.24			(97.38)		30,872.80	32,256.61	415.75	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007A Single Family	6.00	10/08/08	10/20/38	31,096.75	32,547.31			(93.50)		31,003.25	32,775.22	321.41	0.00
GNMA	2007A Single Family	5.25	10/08/08	09/20/38	22,698.62	23,408.49			(71.59)		22,627.03	23,641.60	304.70	0.00
GNMA	2007A Single Family	6.00	10/15/08	09/20/38	4,479.45	4,688.43			(12.15)		4,467.30	4,722.66	46.38	0.00
GNMA	2007A Single Family	6.00	10/15/08	06/20/38	3,256.23	3,408.14			(9.01)		3,247.22	3,432.83	33.70	0.00
GNMA	2007A Single Family	6.00	10/15/08	07/20/38	4,720.51	4,940.74			(14.07)		4,706.44	4,975.46	48.79	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	28,873.90	30,221.22			(78.34)		28,795.56	30,441.80	298.92	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	26,703.06	27,538.61			(87.42)		26,615.64	27,809.52	358.33	0.00
GNMA	2007A Single Family	5.25	10/22/08	07/20/38	9,594.09	9,894.27			(30.56)		9,563.53	9,992.48	128.77	0.00
GNMA	2007A Single Family	5.25	10/22/08	09/20/38	10,991.46	11,335.37			(34.50)		10,956.96	11,448.43	147.56	0.00
GNMA	2007A Single Family	6.00	10/22/08	10/20/38	18,457.59	19,318.88			(50.24)		18,407.35	19,459.71	191.07	0.00
GNMA	2007A Single Family	5.25	10/22/08	10/20/38	19,988.93	20,614.38			(62.45)		19,926.48	20,820.29	268.36	0.00
GNMA	2007A Single Family	5.25	10/22/08	08/20/38	4,787.21	4,936.99			(22.36)		4,764.85	4,978.57	63.94	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	19,672.80	20,288.51			(72.01)		19,600.79	20,480.12	263.62	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	14,283.78	14,950.40			(38.63)		14,245.15	15,059.65	147.88	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	10,953.05	11,464.21			(31.28)		10,921.77	11,546.25	113.32	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	14,401.84	14,852.57			(44.97)		14,356.87	15,000.94	193.34	0.00
GNMA	2007A Single Family	5.25	10/29/08	10/20/38	8,508.41	8,774.71			(26.87)		8,481.54	8,862.06	114.22	0.00
GNMA	2007A Single Family	6.00	10/29/08	10/20/38	15,244.89	15,956.35			(237.56)		15,007.33	15,865.41	146.62	0.00
GNMA	2007A Single Family	5.25	10/29/08	09/20/38	7,231.76	7,458.09			(35.83)		7,195.93	7,518.75	96.49	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	31,589.31	33,064.11			(92.83)		31,496.48	33,297.92	326.64	0.00
GNMA	2007A Single Family	5.25	11/12/08	10/20/38	13,959.83	14,396.95			(60.29)		13,899.54	14,523.33	186.67	0.00
GNMA	2007A Single Family	6.00	11/12/08	11/20/38	9,939.77	10,403.82			(26.68)		9,913.09	10,480.06	102.92	0.00
GNMA	2007A Single Family	5.25	11/19/08	08/20/38	3,800.39	3,919.42			(12.33)		3,788.06	3,958.08	50.99	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	15,315.17	16,030.29			(43.52)		15,271.65	16,145.21	158.44	0.00
GNMA	2007A Single Family	5.25	11/19/08	11/20/38	17,242.69	17,782.74			(54.38)		17,188.31	17,959.85	231.49	0.00
GNMA	2007A Single Family	6.00	11/19/08	10/20/38	8,419.02	8,812.14			(39.63)		8,379.39	8,858.72	86.21	0.00
GNMA	2007A Single Family	5.25	11/25/08	10/20/38	2,188.94	2,257.51			(6.91)		2,182.03	2,279.98	29.38	0.00
GNMA	2007A Single Family	5.25	11/25/08	11/20/38	22,442.87	23,145.98			(73.58)		22,369.29	23,373.56	301.16	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	8,794.84	9,205.57			(30.15)		8,764.69	9,266.12	90.70	0.00
GNMA	2007A Single Family	6.00	11/25/08	11/20/38	13,391.79	14,017.21			(35.85)		13,355.94	14,120.03	138.67	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	41,518.25	43,457.91			(113.98)		41,404.27	43,773.71	429.78	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	47,358.07	48,842.53			(177.46)		47,180.61	49,299.56	634.49	0.00
GNMA	2007A Single Family	5.25	12/10/08	11/20/38	5,295.43	5,461.42			(16.42)		5,279.01	5,516.10	71.10	0.00
GNMA	2007A Single Family	6.00	12/10/08	11/20/38	18,014.20	18,855.80			(51.08)		17,963.12	18,991.10	186.38	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	10,192.25	10,668.50			(30.28)		10,161.97	10,743.59	105.37	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,510.63	16,235.39			(46.16)		15,464.47	16,349.59	160.36	0.00
GNMA	2007A Single Family	6.00	12/17/08	12/20/38	15,134.43	15,841.60			(51.07)		15,083.36	15,946.66	156.13	0.00
GNMA	2007A Single Family	6.00	12/17/08	11/20/38	16,725.39	17,506.92			(5,711.48)		11,013.91	11,644.31	(151.13)	0.00
GNMA	2007A Single Family	6.00	02/18/09	01/20/39	2,775.47	2,905.41			(7.32)		2,768.15	2,926.85	28.76	0.00
GNMA	2007A Single Family	6.00	02/18/09	02/20/39	10,445.39	10,934.44			(29.40)		10,415.99	11,013.13	108.09	0.00
GNMA	2007A Single Family	5.25	02/25/09	02/20/39	11,482.47	11,842.48			(35.59)		11,446.88	11,962.13	155.24	0.00
GNMA	2007A Single Family	5.49	02/25/09	01/20/39	2,925.96	3,041.39			(8.56)		2,917.40	3,062.51	29.68	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	44,459.33	46,541.31			(156.55)		44,302.78	46,843.02	458.26	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	9,922.54	10,234.45			(30.78)		9,891.76	10,336.89	133.22	0.00
GNMA	2007A Single Family	5.25	02/25/09	12/20/38	4,811.81	4,963.06			(33.01)		4,778.80	4,993.85	63.80	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	17,603.25	18,427.59			(46.36)		17,556.89	18,563.57	182.34	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	6,864.84	7,186.31			(20.06)		6,844.78	7,237.24	70.99	0.00
GNMA	2007A Single Family	6.00	02/25/09	02/20/39	4,542.31	4,755.02			(11.93)		4,530.38	4,790.15	47.06	0.00
GNMA	2007A Single Family	5.25	03/11/09	02/20/39			5,465.20				5,465.20	5,711.28	246.08	0.00
GNMA	2007A Single Family	5.25	03/11/09	01/20/39			4,435.80				4,435.80	4,635.53	199.73	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39			22,961.04				22,961.04	24,277.95	1,316.91	0.00
GNMA	2007A Single Family	6.00	03/11/09	02/20/39			3,578.43				3,578.43	3,783.67	205.24	0.00
GNMA	2007A Single Family	6.00	03/18/09	03/20/39			23,521.70				23,521.70	24,870.96	1,349.26	0.00
GNMA	2007A Single Family	5.25	03/25/09	12/20/38			2,142.42				2,142.42	2,238.90	96.48	0.00
GNMA	2007A Single Family	6.00	03/25/09	03/20/39			2,456.80				2,456.80	2,597.74	140.94	0.00
GNMA	2007A Single Family	6.00	03/25/09	01/20/39			4,505.90				4,505.90	4,764.40	258.50	0.00
GNMA	2007A Single Family	6.00	03/25/09	02/20/39			3,961.52				3,961.52	4,188.78	227.26	0.00
GNMA	2007A Single Family	6.00	04/08/09	10/20/38			2,822.43				2,822.43	2,984.35	161.92	0.00
GNMA	2007A Single Family	5.25	04/08/09	01/20/39			2,321.82				2,321.82	2,426.44	104.62	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	28,195.91	29,080.37			(104.30)		28,091.61	29,353.89	377.82	0.00

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GNMA	2007A Single Family	6.00	12/30/08	12/20/38	6,129.64	6,416.15			(16.61)		6,113.03	6,463.01	63.47	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	19,275.76	20,176.75			(51.49)		19,224.27	20,324.87	199.61	0.00
GNMA	2007A Single Family	6.00	12/30/08	12/20/38	11,098.46	11,617.22			(35.10)		11,063.36	11,696.75	114.63	0.00
GNMA	2007A Single Family	5.25	12/30/08	12/20/38	35,356.45	36,465.53			(124.36)		35,232.09	36,815.24	474.07	0.00
GNMA	2007A Single Family	6.00	01/14/09	12/20/38	6,763.07	7,079.31			(19.80)		6,743.27	7,129.45	69.94	0.00
GNMA	2007A Single Family	5.25	01/14/09	01/20/39	20,354.37	20,991.56			(109.29)		20,245.08	21,155.35	273.08	0.00
GNMA	2007A Single Family	5.25	01/14/09	12/20/38	15,279.00	15,758.55			(99.47)		15,179.53	15,861.90	202.82	0.00
GNMA	2007A Single Family	6.00	01/14/09	01/20/39	29,314.33	30,685.66			(78.47)		29,235.86	30,910.75	303.56	0.00
GNMA	2007A Single Family	6.00	01/21/09	01/20/39	23,686.40	24,794.62			(64.32)		23,622.08	24,975.56	245.26	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,828.01	9,241.27			(50.90)		8,777.11	9,280.22	89.85	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	10,772.76	11,110.34			(33.06)		10,739.70	11,222.93	145.65	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	18,807.89	19,397.26			(77.83)		18,730.06	19,572.81	253.38	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	14,891.25	15,588.34			(50.57)		14,840.68	15,691.36	153.59	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	4,776.07	4,925.73			(14.61)		4,761.46	4,975.70	64.58	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	6,418.46	6,619.59			(58.11)		6,360.35	6,646.52	85.04	0.00
GNMA	2007A Single Family	6.00	02/11/09	01/20/39	8,424.58	8,818.95			(22.25)		8,402.33	8,883.96	87.26	0.00
GNMA	2007A Single Family	5.25	02/11/09	01/20/39	8,628.24	8,898.61			(34.23)		8,594.01	8,980.70	116.32	0.00
FNMA	2007A Single Family	6.00	12/11/07	12/01/37	11,619.39	12,162.78			(34.02)		11,585.37	12,292.60	163.84	0.00
FNMA	2007A Single Family	5.25	12/11/07	11/01/37	11,789.54	12,167.65			(40.56)		11,748.98	12,268.34	141.25	0.00
FNMA	2007A Single Family	5.25	12/12/07	12/01/37	71,185.05	73,468.11			(279.29)		70,905.76	74,040.09	851.27	0.00
FNMA	2007A Single Family	5.25	12/20/07	11/01/37	5,076.13	5,238.94			(17.51)		5,058.62	5,282.25	60.82	0.00
FNMA	2007A Single Family	6.00	12/20/07	12/01/37	7,910.63	8,280.60			(24.03)		7,886.60	8,368.05	111.48	0.00
FNMA	2007A Single Family	5.25	12/20/07	12/01/37	16,938.20	17,481.51			(57.00)		16,881.20	17,627.50	202.99	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	12,770.61	13,180.34			(74.35)		12,696.26	13,257.64	151.65	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	3,350.96	3,458.47			(25.71)		3,325.25	3,472.27	39.51	0.00
FNMA	2007A Single Family	5.25	12/28/07	12/01/37	17,413.64	17,972.34			(59.08)		17,354.56	18,121.92	208.66	0.00
FNMA	2007A Single Family	6.00	01/16/08	12/01/37	11,642.53	12,210.96			(33.71)		11,608.82	12,341.47	164.22	0.00
FNMA	2007A Single Family	5.25	01/16/08	12/01/37	79,416.00	82,124.34			(6,245.99)		73,170.01	76,553.55	675.20	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	9,496.89	9,820.88			(43.09)		9,453.80	9,891.06	113.27	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	16,407.52	17,209.68			(85.32)		16,322.20	17,353.55	229.19	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	17,725.59	18,330.34			(77.13)		17,648.46	18,464.79	211.58	0.00
FNMA	2007A Single Family	5.25	01/30/08	12/01/37	5,731.79	5,927.32			(19.08)		5,712.71	5,976.92	68.68	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	4,952.08	5,194.20			(14.85)		4,937.23	5,249.22	69.87	0.00
FNMA	2007A Single Family	5.25	01/30/08	01/01/38	9,082.65	9,392.45			(30.51)		9,052.14	9,471.23	109.29	0.00
FNMA	2007A Single Family	6.00	01/30/08	01/01/38	3,910.85	4,102.02			(11.25)		3,899.60	4,145.98	55.21	0.00
FNMA	2007A Single Family	6.00	02/13/08	02/01/38	16,574.19	17,384.74			(49.91)		16,524.28	17,568.66	233.83	0.00
FNMA	2007A Single Family	5.25	02/13/08	02/01/38	14,986.22	15,497.57			(412.20)		14,574.02	15,248.96	163.59	0.00
FNMA	2007A Single Family	5.25	02/13/08	01/01/38	12,838.33	13,276.37			(49.79)		12,788.54	13,380.76	154.18	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,549.06	7,806.72			(25.00)		7,524.06	7,872.58	90.86	0.00
FNMA	2007A Single Family	5.25	02/19/08	01/01/38	7,539.89	7,797.23			(24.97)		7,514.92	7,863.01	90.75	0.00
FNMA	2007A Single Family	6.00	02/19/08	02/01/38	7,099.66	7,446.89			(20.38)		7,079.28	7,526.75	100.24	0.00
FNMA	2007A Single Family	6.00	02/27/08	02/01/38	14,321.10	15,021.63			(75.13)		14,245.97	15,146.53	200.03	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	18,506.33	19,138.02			(67.46)		18,438.87	19,293.02	222.46	0.00
FNMA	2007A Single Family	5.25	02/27/08	01/01/38	2,742.38	2,835.98			(11.83)		2,730.55	2,857.03	32.88	0.00
FNMA	2007A Single Family	5.25	02/27/08	02/01/38	21,141.58	21,863.22			(84.35)		21,057.23	22,032.68	253.81	0.00
FNMA	2007A Single Family	6.00	03/20/08	03/01/38	16,069.38	16,855.82			(47.26)		16,022.12	17,035.34	226.78	0.00
FNMA	2007A Single Family	5.25	03/20/08	01/01/38	4,038.16	4,176.07			(13.37)		4,024.79	4,211.31	48.61	0.00
FNMA	2007A Single Family	5.25	03/20/08	02/01/38	19,722.30	20,396.10			(66.11)		19,656.19	20,566.33	236.34	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	15,287.92	15,810.18			(55.93)		15,231.99	15,938.03	183.78	0.00
FNMA	2007A Single Family	6.00	03/27/08	03/01/38	13,592.00	14,257.26			(40.68)		13,551.32	14,408.37	191.79	0.00
FNMA	2007A Single Family	5.25	03/27/08	03/01/38	9,628.15	9,957.05			(32.28)		9,595.87	10,040.66	115.89	0.00
FNMA	2007A Single Family	5.25	04/15/08	04/01/38	3,914.59	4,048.42			(18.74)		3,895.85	4,076.52	46.84	0.00
FNMA	2007A Single Family	6.00	04/29/08	04/01/38	6,281.26	6,588.90			(17.78)		6,263.48	6,659.82	88.70	0.00
FNMA	2007A Single Family	6.00	02/04/09	10/01/38	1,539.01	1,614.61			(4.17)		1,534.84	1,632.38	21.74	0.00
	2007A Single Family Total				133,103,387.21	136,355,832.32	1,669,590.91	(6,440,784.37)	(1,374,556.59)	0.00	126,957,637.16	131,636,186.04	1,426,103.77	0.00
GICs	2007B Single Family	4.79	09/20/07	08/31/09	400,764.85	400,764.85		(91,210.30)			309,554.55	309,554.55	-	0.00
Repo Agmt	2007B Single Family	0.18	05/29/09	06/01/09	4,629,587.69	4,629,587.69		(3,834,706.90)			794,880.79	794,880.79	-	0.00
GICs	2007B Single Family	4.52	09/20/07	08/31/39	2,185,963.22	2,185,963.22	1,838,250.36				4,024,213.58	4,024,213.58	-	0.00
GICs	2007B Single Family	4.79	09/20/07	08/31/09	1,327,125.48	1,327,125.48		(125,995.00)			1,201,130.48	1,201,130.48	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	233,934.14	240,653.76			(792.32)		233,141.82	241,755.95	1,894.51	0.00
Freddie Mac	2007B Single Family	5.25	12/11/07	11/01/37	166,504.16	171,286.90			(561.04)		165,943.12	172,074.40	1,348.54	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	627,915.65	645,956.73			(2,851.37)		625,064.28	648,163.76	5,058.40	0.00
Freddie Mac	2007B Single Family	6.00	12/20/07	12/01/37	128,314.27	127,827.57			(459.57)		127,854.70	128,734.59	1,366.59	0.00
Freddie Mac	2007B Single Family	5.25	12/20/07	12/01/37	453,053.09	466,070.07			(1,520.63)		451,532.46	468,219.01	3,669.57	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	608,073.19	625,556.14			(2,209.96)		605,863.23	628,265.17	4,918.99	0.00
Freddie Mac	2007B Single Family	6.00	01/16/08	12/01/37	113,765.59	113,323.19			(377.63)		113,387.96	114,157.42	1,211.86	0.00
Freddie Mac	2007B Single Family	5.25	01/16/08	12/01/37	212,392.56	218,499.13			(713.01)		211,679.55	219,506.45	1,720.33	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	01/01/38	418,868.14	430,905.66			(1,692.91)		417,165.23	432,594.82	3,382.05	0.00
Freddie Mac	2007B Single Family	5.25	01/30/08	12/01/37	263,554.24	271,134.52			(1,197.39)		262,356.85	272,060.28	2,123.15	0.00
Freddie Mac	2007B Single Family	6.00	01/30/08	01/01/38	103,938.75	103,523.99			(364.62)		103,574.13	104,265.41	1,106.04	0.00
Freddie Mac	2007B Single Family	6.00	02/13/08	01/01/38	164,431.54	163,767.19			(551.31)		163,880.23	164,965.75	1,749.87	0.00
Freddie Mac	2007B Single Family	5.25	02/13/08	01/01/38	214,273.97	220,439.32			(715.86)		213,558.11	221,458.95	1,735.49	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	02/01/38	74,688.29	76,839.33			(247.16)		74,441.13	77,192.77	600.60	0.00
Freddie Mac	2007B Single Family	6.00	03/20/08	03/01/38	148,426.40	147,806.71			(489.60)		147,936.80	148,896.39	1,579.28	0.00
Freddie Mac	2007B Single Family	5.25	03/20/08	11/01/37	125,008.33	128,608.32			(443.61)		124,564.72	129,176.26	1,011.55	0.00
Freddie Mac	2007B Single Family	6.00	04/22/08	02/01/38	63,196.48	62,928.40			(217.75)		62,978.73	63,383.68	673.03	0.00
Freddie Mac	2007B Single Family	5.25	04/22/08	01/01/38	151,094.40	155,449.54			(502.89)		150,591.51	156,161.43	1,214.78	0.00
Freddie Mac	2007B Single Family	5.25	05/14/08	04/01/38	279,930.52	288,004.16			(922.08)		279,008.44	289,333.34	2,251.26	0.00
Freddie Mac	2007B Single Family	6.00	05/15/08	04/01/38	240,062.69	239,011.47			(782.22)		239,280.47	240,783.48	2,554.23	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	04/01/38	332,344.10	341,931.16			(1,095.91)		331,248.19	343,508.01	2,672.76	0.00
Freddie Mac	2007B Single Family	5.25	05/21/08	05/01/38	233,368.00	240,100.15			(767.73)		232,600.27	241,209.26	1,876.84	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	04/01/38	254,278.98	261,615.44			(836.50)		253,442.48	262,823.95	2,045.01	0.00
Freddie Mac	2007B Single Family	5.25	05/28/08	05/01/38	136,652.18	140,595.00			(444.13)		136,208.05	141,250.08	1,099.21	0.00
Freddie Mac	2007B Single Family	6.00	06/18/08	05/01/38	290,151.61	288,844.96			(950.93)		289,200.68	290,980.90	3,086.87	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	02/01/38	82,009.53	84,376.86			(565.71)		81,443.82	84,464.60	653.45	0.00
Freddie Mac	2007B Single Family	5.25	06/18/08	05/01/38	144,172.72	148,334.78			(468.57)		143,704.15	149,025.93	1,159.72	0.00
Freddie Mac	2007B Single Family	6.00	06/25/08	05/01/38	103,146.91	102,679.75			(332.79)		102,814.12	103,444.42	1,097.46	0.00
Freddie Mac	2007B Single Family	6.00	07/16/08	06/01/38	161,039.61	160,297.76			(550.86)		160,488.75	161,459.90	1,713.00	0.00
Freddie Mac	2007B Single Family	5.25	07/16/08	06/01/38	220,471.61	226,841.12			(719.83)		219,751.78	227,894.41	1,773.12	0.00
Freddie Mac	2007B Single Family	6.00	07/23/08	06/01/38	148,784.88	148,095.65			(477.37)		148,307.51	149,201.23	1,582.95	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	06/01/38	152,594.93	151,876.52			(573.65)		152,021.28	152,925.76	1,622.89	0.00
Freddie Mac	2007B Single Family	6.00	08/13/08	08/01/38	72,630.66	72,288.45			(230.27)		72,400.39	72,830.75	772.57	0.00
Freddie Mac	2007B Single Family	6.00	08/20/08	06/01/38	151,932.08	151,212.88			(489.27)		151,442.81	152,340.06	1,616.45	0.00
Freddie Mac	2007B Single Family	6.00	08/27/08	08/01/38	301,889.10	300,451.38			(1,220.26)		300,668.84	302,440.61	3,209.49	0.00
Freddie Mac	2007B Single Family	6.00	09/17/08	08/01/38	216,870.01	215,820.62			(774.15)		216,095.86	217,352.98	2,306.51	0.00
Freddie Mac	2007B Single Family	5.25	09/17/08	08/01/38	83,686.36	86,108.08			(290.43)		83,395.93	86,490.07	672.42	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	08/01/38	179,227.74	184,415.17			(571.95)		178,655.79	185,285.18	1,441.96	0.00
Freddie Mac	2007B Single Family	6.00	09/24/08	06/01/38	99,220.14	98,737.85			(320.32)		98,899.82	99,473.14	1,055.61	0.00
Freddie Mac	2007B Single Family	5.25	09/24/08	06/01/38	143,804.75	147,966.76			(561.48)		143,243.27	148,558.44	1,153.16	0.00
Freddie Mac	2007B Single Family	5.25	10/08/08	09/01/38	117,832.84	121,244.52			(1,321.19)		116,511.65	120,836.39	913.06	0.00
Freddie Mac	2007B Single Family	6.00	10/15/08	09/01/38	221,996.54	220,899.43			(700.00)		221,296.54	222,560.62	2,361.19	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	07/01/38	123,563.64	127,142.54			(396.65)		123,166.99	127,739.94	994.05	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	07/01/38	75,771.24	75,395.12			(241.77)		75,529.47	75,959.37	806.02	0.00
Freddie Mac	2007B Single Family	6.00	10/22/08	09/01/38	77,027.23	76,644.66			(242.87)		76,784.36	77,221.03	819.24	0.00
Freddie Mac	2007B Single Family	5.25	10/22/08	08/01/38	153,426.96	157,870.82			(688.02)		152,738.94	158,409.84	1,227.04	0.00
Freddie Mac	2007B Single Family	5.25	11/19/08	09/01/38	114,302.62	117,615.77			(362.59)		113,940.03	118,172.90	919.72	0.00
Freddie Mac	2007B Single Family	5.25	12/10/08	11/01/38	318,809.79	328,055.69			(1,016.58)		317,793.21	329,604.52	2,565.41	0.00
Freddie Mac	2007B Single Family	6.00	12/17/08	11/01/38	167,303.52	166,438.03			(521.61)		166,781.91	167,695.61	1,779.19	0.00
Freddie Mac	2007B Single Family	5.25	01/14/09	11/01/38	83,615.58	86,042.79			(262.09)		83,353.49	86,453.64	672.94	0.00
Freddie Mac	2007B Single Family	6.00	01/14/09	11/01/38	205,709.85	204,624.65			(642.47)		205,067.38	206,169.83	2,187.65	0.00
Freddie Mac	2007B Single Family	6.00	02/18/09	01/01/39	133,717.91	132,995.27			(414.17)		133,303.74	134,002.89	1,421.79	0.00
Freddie Mac	2007B Single Family	5.25	02/18/09	12/01/38	113,990.88	117,302.92			(354.88)		113,636.00	117,865.53	917.49	0.00
Freddie Mac	2007B Single Family	5.49	02/18/09	09/01/38	138,537.59	136,278.49			(476.42)		138,061.17	137,020.28	1,218.21	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	10/01/38	48,120.33	48,966.46			(179.30)		47,941.03	49,081.72	294.56	0.00
Freddie Mac	2007B Single Family	4.75	02/18/09	12/01/38	69,847.06	71,075.22			(248.51)		69,598.55	71,254.55	427.84	0.00
Freddie Mac	2007B Single Family	4.75	03/11/09	12/01/38			82,396.96				82,396.96	84,358.75	1,961.79	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	02/01/39			72,112.92				72,112.92	74,791.65	2,678.73	0.00
Freddie Mac	2007B Single Family	5.25	03/25/09	01/01/39			83,480.28				83,480.28	86,589.68	3,109.40	0.00
Freddie Mac	2007B Single Family	6.00	03/25/09	11/01/38			52,208.53				52,208.53	52,475.65	267.12	0.00

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Freddie Mac	2007B Single Family	5.25	03/25/09	12/01/38			64,665.31				64,665.31	67,073.91	2,408.60	0.00
GNMA	2007B Single Family	5.25	12/28/07	12/20/37	529,373.15	539,605.48			(1,801.81)		527,571.34	544,784.48	6,980.81	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	647,456.86	646,061.30			(2,267.65)		645,189.21	650,516.93	6,723.28	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	2,709,978.84	2,794,231.81			(9,776.77)		2,700,202.07	2,820,248.49	35,793.45	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	478,267.85	493,137.15			(1,979.29)		476,288.56	497,463.54	6,305.68	0.00
GNMA	2007B Single Family	6.00	12/11/07	11/20/37	438,051.12	437,106.93			(1,537.89)		436,513.23	440,117.78	4,548.74	0.00
GNMA	2007B Single Family	5.25	12/11/07	12/20/37	2,255,974.18	2,326,114.56			(151,697.53)		2,104,276.65	2,197,831.45	23,414.42	0.00
GNMA	2007B Single Family	5.25	12/11/07	11/20/37	252,624.22	260,478.29			(859.85)		251,764.37	262,957.40	3,338.96	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	1,188,876.74	1,225,852.44			(3,985.43)		1,184,891.31	1,237,583.35	15,716.34	0.00
GNMA	2007B Single Family	6.00	12/20/07	12/20/37	165,566.32	165,204.02			(546.05)		165,020.27	166,377.31	1,719.34	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	450,160.92	464,161.53			(1,789.77)		448,371.15	468,310.16	5,938.40	0.00
GNMA	2007B Single Family	5.25	12/20/07	11/20/37	124,604.91	128,460.04			(479.85)		124,125.06	129,644.64	1,644.45	0.00
GNMA	2007B Single Family	5.25	12/20/07	12/20/37	185,028.15	190,782.78			(825.86)		184,202.29	192,393.76	2,436.84	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	548,063.31	546,805.52			(1,800.19)		546,263.12	550,706.75	5,701.42	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	404,115.72	415,881.05			(1,800.08)		402,315.64	419,468.31	5,387.34	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	483,753.28	498,742.56			(133,237.28)		350,516.00	366,130.34	625.06	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	337,761.03	347,594.51			(1,117.00)		336,644.03	350,996.78	4,519.27	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	147,597.10	147,258.36			(482.34)		147,114.76	148,311.47	1,535.45	0.00
GNMA	2007B Single Family	6.00	01/16/08	12/20/37	978,028.92	975,804.10			(3,238.36)		974,790.56	982,722.40	10,156.66	0.00
GNMA	2007B Single Family	5.25	01/16/08	12/20/37	474,276.04	489,040.52			(1,610.20)		472,665.84	493,699.23	6,268.91	0.00
GNMA	2007B Single Family	5.25	01/16/08	01/20/38	2,791,614.79	2,878,070.41			(9,391.37)		2,782,223.42	2,906,121.31	37,442.27	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	711,882.12	732,607.66			(2,375.95)		709,506.17	739,755.84	9,524.13	0.00
GNMA	2007B Single Family	5.25	01/30/08	12/20/37	144,797.49	149,307.39			(499.09)		144,298.40	150,721.90	1,913.60	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	276,788.74	285,369.49			(915.52)		275,873.22	288,166.86	3,712.89	0.00
GNMA	2007B Single Family	5.25	02/13/08	02/20/38	343,668.08	354,322.53			(1,386.16)		342,281.92	357,535.30	4,598.93	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	247,629.45	247,049.96			(812.55)		246,816.90	248,813.62	2,576.21	0.00
GNMA	2007B Single Family	6.00	01/30/08	01/20/38	126,031.46	125,742.23			(411.94)		125,619.52	126,641.39	1,311.10	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	282,315.59	291,063.24			(930.16)		281,385.43	293,920.23	3,787.15	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	135,223.80	139,413.76			(445.51)		134,778.29	140,782.23	1,813.98	0.00
GNMA	2007B Single Family	5.25	01/30/08	01/20/38	400,665.68	413,080.46			(1,602.05)		399,063.63	416,840.61	5,362.20	0.00
GNMA	2007B Single Family	6.00	02/13/08	01/20/38	340,165.92	339,369.88			(1,300.40)		338,865.52	341,606.91	3,537.43	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	658,011.21	678,410.26			(2,177.25)		655,833.96	685,059.65	8,826.64	0.00
GNMA	2007B Single Family	5.25	02/13/08	01/20/38	784,420.62	808,738.48			(246,892.14)		537,528.48	561,482.16	(364.18)	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	375,566.45	387,232.90			(1,252.79)		374,313.66	391,017.78	5,037.67	0.00
GNMA	2007B Single Family	5.25	04/08/08	03/20/38	138,030.53	142,318.26			(450.13)		137,580.40	143,720.08	1,851.93	0.00
GNMA	2007B Single Family	6.00	04/08/08	04/20/38	268,372.93	267,694.54			(969.95)		267,402.98	269,515.27	2,790.68	0.00
GNMA	2007B Single Family	5.25	04/08/08	04/20/38	503,068.55	518,696.22			(154,322.54)		348,746.01	364,309.91	(63.77)	0.00
GNMA	2007B Single Family	6.00	03/12/08	03/20/38	303,334.94	302,595.61			(1,314.83)		302,020.11	304,433.47	3,152.69	0.00
GNMA	2007B Single Family	5.25	03/12/08	03/20/38	615,389.12	634,487.37			(2,013.03)		613,376.09	640,730.47	8,256.13	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	519,557.45	535,685.94			(1,957.97)		517,599.48	540,686.96	6,958.98	0.00
GNMA	2007B Single Family	6.00	02/19/08	01/20/38	564,323.63	562,992.16			(166,881.36)		397,442.27	400,649.81	4,539.01	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	493,621.20	508,927.59			(1,894.58)		491,726.62	513,643.41	6,610.40	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	136,289.74	140,515.86			(446.42)		135,843.32	141,898.00	1,828.56	0.00
GNMA	2007B Single Family	6.00	02/19/08	02/20/38	203,372.11	202,891.49			(949.73)		202,422.38	204,055.03	2,113.27	0.00
GNMA	2007B Single Family	5.25	02/19/08	02/20/38	646,417.09	666,461.39			(2,539.03)		643,878.06	672,576.37	8,654.01	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	146,835.59	151,390.10			(491.36)		146,344.23	152,868.19	1,969.45	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	245,246.73	244,660.78			(821.03)		244,425.70	246,390.96	2,551.21	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	232,172.55	239,374.02			(1,358.29)		230,814.26	241,103.85	3,088.12	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	339,713.14	350,250.28			(1,157.67)		338,555.47	353,648.12	4,555.51	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	288,862.47	297,822.31			(115,686.47)		173,176.00	180,896.10	(1,239.74)	0.00
GNMA	2007B Single Family	6.00	02/27/08	02/20/38	298,906.04	298,191.90			(975.94)		297,930.10	300,325.55	3,109.59	0.00
GNMA	2007B Single Family	5.25	02/27/08	02/20/38	631,625.30	651,216.88			(3,220.04)		628,405.26	656,419.28	8,422.44	0.00
GNMA	2007B Single Family	5.25	03/20/08	03/20/38	139,040.06	143,356.24			(452.55)		138,587.51	144,769.19	1,865.50	0.00
GNMA	2007B Single Family	6.00	03/20/08	03/20/38	142,093.05	141,743.03			(467.39)		141,625.66	142,753.75	1,478.11	0.00
GNMA	2007B Single Family	5.25	03/27/08	03/20/38	301,378.32	310,736.46			(1,084.53)		300,293.79	313,690.90	4,038.97	0.00
GNMA	2007B Single Family	6.00	03/27/08	03/20/38	512,404.35	511,130.78			(1,672.44)		510,731.91	514,788.17	5,329.83	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	134,552.32	138,733.13			(437.96)		134,114.36	140,100.49	1,805.32	0.00
GNMA	2007B Single Family	5.25	04/15/08	03/20/38	225,676.03	232,688.22			(744.16)		224,931.87	234,971.57	3,027.51	0.00
GNMA	2007B Single Family	6.00	04/15/08	04/20/38	183,310.99	182,843.56			(764.24)		182,546.75	183,984.65	1,905.33	0.00
GNMA	2007B Single Family	5.25	04/24/08	04/20/38	248,839.54	256,574.07			(806.87)		248,032.67	259,106.37	3,339.17	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	6.00	04/22/08	04/20/38	387,209.25	386,212.96			(1,252.25)		385,957.00	388,988.13	4,027.42	0.00
GNMA	2007B Single Family	6.00	05/07/08	04/20/38	441,324.89	440,167.93			(1,502.59)		439,822.10	443,254.89	4,589.55	0.00
GNMA	2007B Single Family	5.25	05/07/08	05/20/38	1,477,186.00	1,523,123.64			(5,050.89)		1,472,135.11	1,537,882.00	19,809.25	0.00
GNMA	2007B Single Family	5.25	05/07/08	04/20/38	264,660.90	272,911.69			(865.03)		263,815.87	275,597.84	3,551.18	0.00
GNMA	2007B Single Family	5.25	05/14/08	04/20/38	524,003.95	540,303.29			(1,735.46)		522,268.49	545,597.34	7,029.51	0.00
GNMA	2007B Single Family	6.00	05/21/08	05/20/38	292,137.35	291,357.58			(943.57)		291,193.78	293,452.39	3,038.38	0.00
GNMA	2007B Single Family	5.25	05/21/08	05/20/38	156,541.90	161,412.50			(602.87)		155,939.03	162,905.88	2,096.25	0.00
GNMA	2007B Single Family	5.25	05/28/08	05/20/38	254,652.65	262,577.97			(833.19)		253,819.46	265,161.45	3,416.67	0.00
GNMA	2007B Single Family	6.00	05/28/08	05/20/38	268,162.03	267,440.06			(874.75)		267,287.28	269,354.20	2,788.89	0.00
GNMA	2007B Single Family	5.25	05/28/08	01/20/38	88,788.53	91,551.44			(484.27)		88,304.26	92,249.67	1,182.50	0.00
GNMA	2007B Single Family	6.00	06/11/08	06/20/38	431,692.86	430,509.85			(1,438.15)		430,254.71	433,560.95	4,489.25	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	776,665.40	800,848.19			(2,617.19)		774,048.21	808,649.01	10,418.01	0.00
GNMA	2007B Single Family	5.25	06/11/08	05/20/38	451,174.22	465,222.27			(7,709.99)		443,464.23	463,287.53	5,775.25	0.00
GNMA	2007B Single Family	6.00	07/09/08	07/20/38	1,000,578.46	997,743.20			(3,622.14)		996,956.32	1,004,522.40	10,401.34	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	1,623,726.05	1,674,336.00			(5,213.71)		1,618,512.34	1,690,912.90	21,790.61	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	582,413.52	600,566.78			(1,897.13)		580,516.39	606,484.50	7,814.85	0.00
GNMA	2007B Single Family	5.25	07/09/08	06/20/38	295,589.70	304,802.93			(960.07)		294,629.63	307,809.22	3,966.36	0.00
GNMA	2007B Single Family	6.00	07/16/08	07/20/38	147,765.05	147,342.94			(726.05)		147,039.00	148,151.63	1,534.74	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	157,676.12	162,592.05			(501.06)		157,175.06	164,207.45	2,116.46	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	355,592.35	354,609.69			(1,133.52)		354,458.83	357,174.36	3,698.19	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	243,114.20	250,686.25			(958.02)		242,156.18	252,982.86	3,254.63	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	257,521.37	265,542.15			(1,128.84)		256,392.53	267,855.73	3,442.42	0.00
GNMA	2007B Single Family	5.25	06/18/08	06/20/38	244,129.61	251,733.29			(790.35)		243,339.26	254,218.85	3,275.91	0.00
GNMA	2007B Single Family	6.00	06/18/08	06/20/38	165,913.33	165,454.85			(574.92)		165,338.41	166,605.09	1,725.16	0.00
GNMA	2007B Single Family	6.00	06/25/08	06/20/38	572,379.17	570,784.24			(2,585.91)		569,793.26	574,145.77	5,947.44	0.00
GNMA	2007B Single Family	5.25	06/25/08	06/20/38	676,506.22	697,581.67			(2,451.81)		674,054.41	704,196.04	9,066.18	0.00
GNMA	2007B Single Family	5.25	07/16/08	07/20/38	1,178,430.57	1,215,170.92			(4,441.61)		1,173,988.96	1,226,515.91	15,786.60	0.00
GNMA	2007B Single Family	6.00	07/23/08	07/20/38	697,381.57	695,373.28			(2,581.01)		694,800.56	700,041.79	7,249.52	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	1,611,712.68	1,661,975.07			(5,424.19)		1,606,288.49	1,678,169.38	21,618.50	0.00
GNMA	2007B Single Family	5.25	07/23/08	07/20/38	235,498.01	242,842.17			(750.27)		234,747.74	245,252.60	3,160.70	0.00
GNMA	2007B Single Family	6.00	07/29/08	07/20/38	132,559.89	132,175.59			(416.47)		132,141.42	133,135.65	1,378.53	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	701,774.45	723,664.17			(2,378.93)		699,395.52	730,698.43	9,413.19	0.00
GNMA	2007B Single Family	5.25	07/29/08	07/20/38	343,529.34	354,244.70			(1,094.49)		342,434.85	357,761.23	4,611.02	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	159,658.41	159,180.06			(501.48)		159,156.93	160,338.83	1,660.25	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	407,281.81	419,999.33			(1,419.63)		405,862.18	424,040.68	5,460.98	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	534,112.01	550,789.86			(1,689.00)		532,423.01	556,270.17	7,169.31	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	1,244,953.78	1,241,281.23			(4,194.26)		1,240,759.52	1,250,031.19	12,944.22	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	2,602,171.02	2,683,384.00			(10,121.28)		2,592,049.74	2,706,108.89	34,846.17	0.00
GNMA	2007B Single Family	5.25	08/13/08	07/20/38	1,506,358.39	1,553,371.39			(5,750.30)		1,500,608.09	1,567,796.31	20,175.22	0.00
GNMA	2007B Single Family	6.00	08/13/08	08/20/38	289,731.83	288,877.14			(927.51)		288,804.32	290,962.43	3,012.80	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	547,534.44	564,622.84			(1,946.64)		545,587.80	570,016.54	7,340.34	0.00
GNMA	2007B Single Family	5.25	08/13/08	08/20/38	670,148.62	691,063.76			(2,284.72)		667,863.90	697,767.56	8,988.52	0.00
GNMA	2007B Single Family	6.00	08/20/08	08/20/38	368,558.18	367,462.45			(1,173.39)		367,384.79	370,121.54	3,832.48	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	1,035,360.97	1,067,682.92			(4,571.40)		1,030,789.57	1,076,950.85	13,839.33	0.00
GNMA	2007B Single Family	5.25	08/20/08	08/20/38	237,219.74	244,625.28			(754.96)		236,464.78	247,054.24	3,183.92	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	205,700.79	205,084.51			(647.78)		205,053.01	206,575.73	2,139.00	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	251,687.74	259,546.78			(803.57)		250,884.17	262,121.23	3,378.02	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	258,394.75	266,463.23			(815.87)		257,578.88	269,115.80	3,468.44	0.00
GNMA	2007B Single Family	6.00	08/27/08	08/20/38	900,825.54	898,126.60			(3,322.33)		897,503.21	904,168.03	9,363.76	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	1,236,341.28	1,272,631.95			(3,939.02)		1,232,402.26	1,285,244.59	16,551.66	0.00
GNMA	2007B Single Family	5.25	08/27/08	08/20/38	303,798.91	313,285.12			(2,108.35)		301,690.56	315,203.23	4,026.46	0.00
GNMA	2007B Single Family	6.00	09/10/08	09/20/38	740,544.84	738,291.22			(2,637.80)		737,907.04	743,350.84	7,697.42	0.00
GNMA	2007B Single Family	5.25	09/10/08	09/20/38	1,808,647.29	1,865,153.14			(6,575.78)		1,802,071.51	1,882,816.51	24,239.15	0.00
GNMA	2007B Single Family	5.25	09/10/08	08/20/38	860,592.90	887,478.71			(2,742.99)		857,849.91	896,286.49	11,550.77	0.00
GNMA	2007B Single Family	5.25	09/17/08	09/20/38	444,092.77	457,970.38			(1,612.33)		442,480.44	462,310.29	5,952.24	0.00
GNMA	2007B Single Family	5.25	09/17/08	08/20/38	576,911.99	594,940.12			(1,821.70)		575,090.29	600,862.48	7,744.06	0.00
GNMA	2007B Single Family	5.25	09/24/08	07/20/38	119,336.48	123,066.54			(379.10)		118,957.38	124,289.23	1,601.79	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	385,631.09	384,439.76			(1,241.48)		384,389.61	387,207.86	4,009.58	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	675,159.23	696,263.16			(2,669.63)		672,489.60	702,632.35	9,038.82	0.00
GNMA	2007B Single Family	5.25	09/24/08	08/20/38	95,899.80	98,897.40			(310.74)		95,589.06	99,873.50	1,286.84	0.00

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GNMA	2007B Single Family	5.25	09/24/08	09/20/38	278,739.80	287,452.57			(874.86)		277,864.94	290,319.58	3,741.87	0.00
GNMA	2007B Single Family	6.00	09/24/08	09/20/38	465,698.47	464,259.79			(1,479.84)		464,218.63	467,622.15	4,842.20	0.00
GNMA	2007B Single Family	5.25	09/24/08	09/20/38	859,471.65	886,336.77			(2,702.20)		856,769.45	895,172.12	11,537.55	0.00
GNMA	2007B Single Family	6.00	10/08/08	10/20/38	860,897.83	858,196.91			(2,940.04)		857,957.79	864,206.43	8,949.56	0.00
GNMA	2007B Single Family	5.25	10/08/08	09/20/38	629,923.08	649,622.90			(1,986.77)		627,936.31	656,092.03	8,455.90	0.00
GNMA	2007B Single Family	6.00	10/15/08	09/20/38	124,014.86	123,623.16			(387.18)		123,627.68	124,525.56	1,289.58	0.00
GNMA	2007B Single Family	6.00	10/15/08	06/20/38	90,149.38	89,864.99			(286.48)		89,862.90	90,516.08	937.57	0.00
GNMA	2007B Single Family	6.00	10/15/08	07/20/38	130,688.50	130,275.97			(443.45)		130,245.05	131,191.49	1,358.97	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	799,408.34	796,863.46			(2,496.40)		796,911.94	802,679.61	8,312.55	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	741,052.86	764,240.45			(2,425.84)		738,627.02	771,758.44	9,943.83	0.00
GNMA	2007B Single Family	5.25	10/22/08	07/20/38	266,251.28	274,581.74			(848.32)		265,402.96	277,307.15	3,573.73	0.00
GNMA	2007B Single Family	5.25	10/22/08	09/20/38	305,030.71	314,574.82			(957.45)		304,073.26	317,712.28	4,094.91	0.00
GNMA	2007B Single Family	6.00	10/22/08	10/20/38	511,020.66	509,393.86			(1,600.35)		509,420.31	513,107.26	5,313.75	0.00
GNMA	2007B Single Family	5.25	10/22/08	10/20/38	554,724.44	572,081.80			(1,732.99)		552,991.45	577,796.10	7,447.29	0.00
GNMA	2007B Single Family	5.25	10/22/08	08/20/38	132,852.61	137,009.44			(620.34)		132,232.27	138,163.46	1,774.36	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	545,951.62	563,038.48			(1,998.69)		543,952.93	568,356.20	7,316.41	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	395,475.47	394,207.37			(1,231.60)		394,243.87	397,088.03	4,112.26	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	303,257.08	302,284.67			(990.00)		302,267.08	304,447.69	3,153.02	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	399,673.80	412,182.54			(1,248.22)		398,425.58	416,300.07	5,365.75	0.00
GNMA	2007B Single Family	5.25	10/29/08	10/20/38	236,122.34	243,512.35			(745.63)		235,376.71	245,936.37	3,169.65	0.00
GNMA	2007B Single Family	6.00	10/29/08	10/20/38	422,085.59	420,732.18			(6,747.84)		415,337.75	418,334.09	4,349.75	0.00
GNMA	2007B Single Family	5.25	10/29/08	09/20/38	200,692.63	206,973.78			(994.41)		199,698.22	208,657.24	2,677.87	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	874,669.58	871,823.76			(2,927.30)		871,742.28	877,988.89	9,092.43	0.00
GNMA	2007B Single Family	5.25	11/12/08	10/20/38	387,407.59	399,538.49			(1,673.38)		385,734.21	403,045.85	5,180.74	0.00
GNMA	2007B Single Family	6.00	11/12/08	11/20/38	275,220.25	274,324.79			(851.37)		274,368.88	276,334.91	2,861.49	0.00
GNMA	2007B Single Family	5.25	11/19/08	08/20/38	105,467.06	108,770.32			(342.40)		105,124.66	109,843.31	1,415.39	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	424,070.76	422,681.65			(1,378.80)		422,691.96	425,711.79	4,408.94	0.00
GNMA	2007B Single Family	5.25	11/19/08	11/20/38	478,511.81	493,499.47			(1,509.14)		477,002.67	498,414.46	6,424.13	0.00
GNMA	2007B Single Family	6.00	11/19/08	10/20/38	233,119.46	232,355.84			(1,192.33)		231,927.13	233,584.08	2,420.57	0.00
GNMA	2007B Single Family	5.25	11/25/08	10/20/38	60,746.62	62,649.74			(191.97)		60,554.65	63,273.23	815.46	0.00
GNMA	2007B Single Family	5.25	11/25/08	11/20/38	622,825.46	642,337.76			(2,041.74)		620,783.72	648,653.50	8,357.48	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	243,532.12	242,729.48			(933.99)		242,598.13	244,326.13	2,530.64	0.00
GNMA	2007B Single Family	6.00	11/25/08	11/20/38	370,823.61	369,601.43			(1,144.17)		369,679.44	372,312.65	3,855.39	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	1,149,730.81	1,145,884.05			(3,626.78)		1,146,104.03	1,154,210.92	11,953.65	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	1,314,261.87	1,355,457.80			(4,924.81)		1,309,337.06	1,368,141.29	17,608.20	0.00
GNMA	2007B Single Family	5.25	12/10/08	11/20/38	146,956.60	151,563.01			(455.69)		146,500.91	153,060.48	1,973.16	0.00
GNMA	2007B Single Family	6.00	12/10/08	11/20/38	496,852.88	497,183.82			(1,618.75)		497,234.13	500,751.28	5,186.21	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	282,254.64	281,303.77			(954.05)		281,300.59	283,283.80	2,934.08	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	429,537.10	428,089.66			(1,453.55)		428,083.55	431,100.77	4,464.66	0.00
GNMA	2007B Single Family	6.00	12/17/08	12/20/38	419,118.79	417,706.45			(1,585.02)		417,533.77	420,476.64	4,355.21	0.00
GNMA	2007B Single Family	6.00	12/17/08	11/20/38	463,177.20	461,616.82			(158,293.32)		304,883.88	307,033.34	3,709.84	0.00
GNMA	2007B Single Family	6.00	02/18/09	01/20/39	76,882.94	76,609.25			(234.17)		76,648.77	77,174.34	799.26	0.00
GNMA	2007B Single Family	6.00	02/18/09	02/20/39	289,346.09	288,316.06			(932.58)		288,413.51	290,390.85	3,007.37	0.00
GNMA	2007B Single Family	5.25	02/25/09	02/20/39	318,656.75	328,647.64			(987.40)		317,669.35	331,968.11	4,307.87	0.00
GNMA	2007B Single Family	5.49	02/25/09	01/20/39	81,054.05	80,194.31			(270.10)		80,783.95	80,751.32	827.11	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	1,231,599.84	1,227,185.98			(4,840.26)		1,226,759.58	1,235,141.54	12,795.82	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	275,366.28	284,022.18			(854.33)		274,511.95	286,865.06	3,697.21	0.00
GNMA	2007B Single Family	5.25	02/25/09	12/20/38	133,535.28	137,732.84			(915.90)		132,619.38	138,587.28	1,770.34	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	487,640.42	485,892.79			(1,483.98)		486,156.44	489,478.15	5,069.34	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	190,167.86	189,486.33			(633.66)		189,534.20	190,829.22	1,976.55	0.00
GNMA	2007B Single Family	6.00	02/25/09	02/20/39	125,829.84	125,378.89			(381.78)		125,448.06	126,305.20	1,308.09	0.00
GNMA	2007B Single Family	5.25	03/11/09	02/20/39			151,668.04				151,668.04	158,497.25	6,829.21	0.00
GNMA	2007B Single Family	5.25	03/11/09	01/20/39			123,100.57				123,100.57	128,643.46	5,542.89	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39			635,839.12				635,839.12	640,153.33	4,314.21	0.00
GNMA	2007B Single Family	6.00	03/11/09	02/20/39			99,094.12				99,094.12	99,766.48	672.36	0.00
GNMA	2007B Single Family	6.00	03/18/09	03/20/39			651,385.04				651,385.04	655,789.57	4,404.53	0.00
GNMA	2007B Single Family	5.25	03/25/09	12/20/38			59,455.59				59,455.59	62,133.05	2,677.46	0.00
GNMA	2007B Single Family	6.00	03/25/09	03/20/39			68,038.10				68,038.10	68,496.51	458.41	0.00
GNMA	2007B Single Family	6.00	03/25/09	01/20/39			124,785.22				124,785.22	125,626.21	840.99	0.00
GNMA	2007B Single Family	6.00	03/25/09	02/20/39			109,709.25				109,709.25	110,448.52	739.27	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2007B Single Family	6.00	04/08/09	10/20/38			78,168.82				78,168.82	78,690.56	521.74	0.00
GNMA	2007B Single Family	5.25	04/08/09	01/20/39			64,434.30				64,434.30	67,337.72	2,903.42	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	782,481.43	807,026.58			(2,894.89)		779,586.54	814,617.04	10,485.35	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	169,758.50	169,179.10			(529.39)		169,229.11	170,414.63	1,764.92	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	533,836.16	532,014.17			(1,644.66)		532,191.50	535,919.77	5,550.26	0.00
GNMA	2007B Single Family	6.00	12/30/08	12/20/38	307,368.20	306,319.14			(1,097.64)		306,270.56	308,416.13	3,194.63	0.00
GNMA	2007B Single Family	5.25	12/30/08	12/20/38	981,198.04	1,011,976.59			(3,451.20)		977,746.84	1,021,681.60	13,156.21	0.00
GNMA	2007B Single Family	6.00	01/14/09	12/20/38	187,313.54	186,664.87			(625.02)		186,688.52	187,986.93	1,947.08	0.00
GNMA	2007B Single Family	5.25	01/14/09	01/20/39	564,866.07	582,549.27			(3,032.94)		561,833.13	587,094.73	7,578.40	0.00
GNMA	2007B Single Family	5.25	01/14/09	12/20/38	424,016.58	437,324.80			(2,760.29)		421,256.29	440,192.90	5,628.39	0.00
GNMA	2007B Single Family	6.00	01/14/09	01/20/39	811,905.64	809,109.69			(2,505.02)		809,400.62	815,044.83	8,440.16	0.00
GNMA	2007B Single Family	6.00	01/21/09	01/20/39	656,051.03	653,776.68			(2,048.58)		654,002.45	658,547.78	6,819.68	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	244,535.71	243,670.83			(1,509.83)		243,025.88	244,697.93	2,536.93	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	298,961.30	308,329.69			(917.48)		298,043.82	311,454.17	4,041.96	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	521,948.74	538,304.75			(2,159.91)		519,788.83	543,176.49	7,031.65	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	412,487.27	411,028.38			(1,569.56)		410,917.71	413,744.90	4,286.08	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	132,543.74	136,697.19			(405.41)		132,138.33	138,083.83	1,792.05	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	178,122.73	183,704.46			(1,612.91)		176,509.82	184,451.80	2,360.25	0.00
GNMA	2007B Single Family	6.00	02/11/09	01/20/39	233,360.54	232,535.19			(711.83)		232,648.71	234,249.37	2,426.01	0.00
GNMA	2007B Single Family	5.25	02/11/09	01/20/39	239,447.52	246,950.95			(949.81)		238,497.71	249,228.81	3,227.67	0.00
FNMA	2007B Single Family	6.00	12/11/07	12/01/37	320,594.36	320,704.27			(1,063.58)		319,530.78	324,127.17	4,486.48	0.00
FNMA	2007B Single Family	5.25	12/11/07	11/01/37	326,546.79	337,671.84			(1,118.01)		325,428.78	340,465.96	3,912.13	0.00
FNMA	2007B Single Family	5.25	12/12/07	12/01/37	1,971,679.67	2,038,856.51			(7,703.82)		1,963,975.85	2,054,730.09	23,577.40	0.00
FNMA	2007B Single Family	5.25	12/20/07	11/01/37	140,597.92	145,389.11			(482.48)		140,115.44	146,590.99	1,684.36	0.00
FNMA	2007B Single Family	6.00	12/20/07	12/01/37	218,272.07	218,340.20			(748.33)		217,523.74	220,646.20	3,054.33	0.00
FNMA	2007B Single Family	5.25	12/20/07	12/01/37	469,151.88	485,139.72			(1,570.75)		467,581.13	489,191.24	5,622.27	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	353,718.58	365,775.23			(2,053.41)		351,665.17	367,920.61	4,198.79	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	92,814.41	95,978.04			(710.68)		92,103.73	96,361.16	1,093.80	0.00
FNMA	2007B Single Family	5.25	12/28/07	12/01/37	482,321.06	498,761.19			(1,628.56)		480,692.50	502,912.13	5,779.50	0.00
FNMA	2007B Single Family	6.00	01/16/08	12/01/37	321,903.86	321,974.85			(1,063.73)		320,840.13	325,416.18	4,505.06	0.00
FNMA	2007B Single Family	5.25	01/16/08	12/01/37	2,203,920.00	2,279,080.81			(173,336.02)		2,030,583.98	2,124,482.62	18,737.83	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	263,553.43	272,545.05			(1,195.98)		262,357.45	274,492.78	3,143.71	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	453,680.54	453,779.28			(2,543.95)		451,136.59	457,572.87	6,337.54	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	491,913.12	508,696.16			(2,140.63)		489,772.49	512,427.40	5,871.87	0.00
FNMA	2007B Single Family	5.25	01/30/08	12/01/37	159,065.87	164,492.72			(529.87)		158,536.00	165,869.09	1,906.24	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	136,929.25	136,959.03			(466.47)		136,462.78	138,409.64	1,917.08	0.00
FNMA	2007B Single Family	5.25	01/30/08	01/01/38	252,058.31	260,655.44			(846.67)		251,211.64	262,841.79	3,033.02	0.00
FNMA	2007B Single Family	6.00	01/30/08	01/01/38	108,137.16	108,160.72			(355.07)		107,782.09	109,319.82	1,514.17	0.00
FNMA	2007B Single Family	6.00	02/13/08	11/01/37	458,313.95	458,395.15			(1,568.11)		456,745.84	463,244.72	6,417.68	0.00
FNMA	2007B Single Family	5.25	02/13/08	02/01/38	415,891.39	430,082.15			(11,439.18)		404,452.21	423,182.84	4,539.87	0.00
FNMA	2007B Single Family	5.25	02/13/08	01/01/38	356,283.89	368,440.41			(1,382.05)		354,901.84	371,337.38	4,279.02	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	209,499.65	216,648.90			(693.81)		208,805.84	218,476.72	2,521.63	0.00
FNMA	2007B Single Family	5.25	02/19/08	01/01/38	209,245.10	216,385.67			(693.00)		208,552.10	218,211.23	2,518.56	0.00
FNMA	2007B Single Family	6.00	02/19/08	02/01/38	196,328.88	196,357.43			(643.37)		195,685.51	198,462.98	2,748.92	0.00
FNMA	2007B Single Family	6.00	02/27/08	02/01/38	396,038.58	396,085.49			(2,238.44)		393,800.14	399,378.78	5,531.73	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	513,580.07	531,110.55			(1,872.22)		511,707.85	535,412.09	6,173.76	0.00
FNMA	2007B Single Family	5.25	02/27/08	01/01/38	76,105.36	78,703.06			(328.31)		75,777.05	79,287.25	912.50	0.00
FNMA	2007B Single Family	5.25	02/27/08	02/01/38	586,712.52	606,739.29			(2,340.87)		584,371.65	611,441.96	7,043.54	0.00
FNMA	2007B Single Family	6.00	03/20/08	03/01/38	444,430.91	444,448.87			(1,488.17)		442,942.74	449,182.47	6,221.77	0.00
FNMA	2007B Single Family	5.25	03/20/08	01/01/38	112,065.47	115,892.93			(371.03)		111,694.44	116,870.68	1,348.78	0.00
FNMA	2007B Single Family	5.25	03/20/08	02/01/38	547,325.13	566,024.41			(1,834.77)		545,490.36	570,748.46	6,558.82	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	424,264.10	438,757.84			(1,552.10)		422,712.00	442,305.67	5,099.93	0.00
FNMA	2007B Single Family	6.00	03/27/08	03/01/38	375,924.79	375,930.96			(1,278.21)		374,646.58	379,915.47	5,262.72	0.00
FNMA	2007B Single Family	5.25	03/27/08	03/01/38	267,196.02	276,323.98			(895.33)		266,300.69	278,644.33	3,215.68	0.00
FNMA	2007B Single Family	5.25	04/15/08	04/01/38	108,637.07	112,350.24			(520.38)		108,116.69	113,130.07	1,300.21	0.00
FNMA	2007B Single Family	6.00	04/29/08	04/01/38	173,751.54	173,734.14			(562.62)		173,188.92	175,604.11	2,432.59	0.00
FNMA	2007B Single Family	6.00	02/04/09	10/01/38	42,625.40	42,579.04			(133.06)		42,492.34	43,042.43	596.45	0.00
GICs	2007B Single Family	4.79	09/20/07	08/31/09	36,488,539.05	36,488,539.05		(2,441,562.80)			34,046,976.25	34,046,976.25	-	0.00
	2007B Single Family Total				163,485,513.39	165,862,702.62	4,358,792.53	(6,493,475.00)	(1,721,727.52)	0.00	159,629,103.40	163,431,861.17	1,425,568.54	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	71,943.98	72,826.87			(361.03)		71,582.95	72,884.90	419.06	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	48,408.48	49,002.85			(253.28)		48,155.20	49,031.36	281.79	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	5,771.00	5,857.45			(28.21)		5,742.79	5,867.43	38.19	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	11,978.71	12,158.05			(59.24)		11,919.47	12,178.04	79.23	0.00
GNMA	2002 A-D SF MRB	4.49	10/01/04	10/20/34	21,255.28	21,514.84			(123.18)		21,132.10	21,515.16	123.50	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	93,211.69	94,352.34			(6,935.41)		86,276.28	87,842.46	426.53	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	19,983.68	20,228.38			(113.20)		19,870.48	20,231.37	116.19	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	17,642.55	17,858.70			(91.74)		17,550.81	17,869.68	102.72	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	74,760.70	75,676.92			(368.11)		74,392.59	75,744.40	435.59	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	107,150.29	108,464.64			(549.67)		106,600.62	108,538.88	623.91	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	61,930.44	62,691.16			(297.02)		61,633.42	62,755.12	360.98	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	48,451.86	49,047.28			(277.12)		48,174.74	49,051.77	281.61	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	114,649.14	115,926.06			(7,247.79)		107,401.35	109,201.68	523.41	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	56,932.09	57,566.53			(314.91)		56,617.18	57,566.52	314.90	0.00
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	7,068.86	7,297.70			(28.56)		7,040.30	7,355.44	86.30	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	85,997.08	86,955.75			(429.20)		85,567.88	87,003.08	476.53	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	9,768.44	10,084.69			(39.47)		9,728.97	10,164.49	119.27	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	109,006.55	110,222.50			(781.51)		108,225.04	110,040.93	599.94	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	134,894.81	136,400.78			(724.71)		134,170.10	136,422.56	746.49	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	42,513.87	42,988.72			(201.83)		42,312.04	43,022.59	235.70	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	111,243.68	112,486.20			(568.45)		110,675.23	112,533.84	616.09	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	41,875.40	42,343.34			(219.49)		41,655.91	42,355.68	231.83	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	67,723.27	68,480.46			(367.95)		67,355.32	68,487.21	374.70	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	65,232.73	65,962.68			(320.90)		64,911.83	66,003.26	361.48	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	23,673.45	23,938.50			(110.28)		23,563.17	23,959.50	131.28	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	39,551.64	39,994.65			(193.66)		39,357.98	40,020.21	219.22	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	35,592.87	35,991.71			(182.17)		35,410.70	36,006.66	197.12	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	49,717.10	50,274.93			(5,899.70)		43,817.40	44,555.49	180.26	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	37,260.20	37,782.60			(176.42)		37,083.78	37,841.84	235.66	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	56,009.22	56,638.26			(259.31)		55,749.91	56,689.60	310.65	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	54,307.23	54,917.50			(253.15)		54,054.08	54,965.53	301.18	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	82,196.72	83,121.04			(423.45)		81,773.27	83,152.84	455.25	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	45,334.02	45,844.13			(217.67)		45,116.35	45,877.76	251.30	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	144,932.50	146,570.63			(4,965.16)		139,967.34	142,336.63	731.16	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	34,704.78	35,097.23			(159.18)		34,545.60	35,130.57	192.52	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	51,850.98	52,590.02			(299.95)		51,561.03	52,616.93	326.86	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	19,973.07	20,198.01			(93.72)		19,879.35	20,215.05	110.76	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	47,071.89	47,734.01			(249.66)		46,822.23	47,781.49	297.14	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	57,362.33	58,009.25			(268.92)		57,093.41	58,058.43	318.10	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	46,726.89	47,384.63			(221.01)		46,505.88	47,459.13	295.51	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	95,566.24	96,645.05			(6,666.75)		88,899.49	90,403.08	424.78	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	34,779.73	35,172.53			(158.60)		34,621.13	35,206.87	192.94	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	9,356.97	9,489.44			(42.74)		9,314.23	9,505.92	59.22	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	11,181.08	11,308.17			(55.17)		11,125.91	11,314.95	61.95	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	21,098.45	21,338.37			(103.49)		20,994.96	21,351.82	116.94	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	18,778.36	19,043.31			(85.72)		18,692.64	19,076.42	118.83	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	17,501.24	17,699.35			(5,368.49)		12,132.75	12,338.33	7.47	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	3,894.33	3,949.33			(17.48)		3,876.85	3,956.51	24.66	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	28,217.58	28,616.14			(128.01)		28,089.57	28,666.71	178.58	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	71,844.15	72,658.82			(4,819.08)		67,025.07	68,162.11	322.37	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	132,198.61	133,699.03			(671.40)		131,527.21	133,759.85	732.22	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	5,123.81	5,196.39			(23.58)		5,100.23	5,205.23	32.42	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	14,563.75	14,729.60			(5,380.51)		9,183.24	9,339.48	(9.61)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	73,280.63	74,116.21			(369.47)		72,911.16	74,152.68	405.94	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	23,889.17	24,228.50			(110.08)		23,779.09	24,269.57	151.15	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	5,831.28	5,879.72			(29.69)		5,801.59	5,887.24	37.21	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	11,848.26	11,946.95			(62.28)		11,785.98	11,960.23	75.56	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	11,784.82	11,883.10			(58.83)		11,725.99	11,899.48	75.21	0.00
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	10,842.01	10,921.90			(60.65)		10,781.36	10,925.64	64.39	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	12,880.84	12,988.55			(68.82)		12,812.02	13,001.86	82.13	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	11,139.34	11,221.78			(74.69)		11,064.65	11,213.08	65.99	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	19,237.07	19,380.39			(115.27)		19,121.80	19,379.29	114.17	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	17,153.06	17,281.19			(82.07)		17,070.99	17,301.19	102.07	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	4,776.78	4,812.56			(21.88)		4,754.90	4,819.11	28.43	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	9,596.70	9,668.61			(55.11)		9,541.59	9,670.48	56.98	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	06/20/34	7,523.67	7,770.51			(36.58)		7,487.09	7,824.11	90.18	0.00
GNMA	2002 A-D SF MRB	5.40	06/01/04	06/20/34	10,453.73	10,796.51			(45.27)		10,408.46	10,876.77	125.53	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	15,549.14	16,060.34			(66.99)		15,482.15	16,180.13	186.78	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	17,663.57	18,211.12			(75.85)		17,587.72	18,347.07	211.80	0.00
GNMA	2002 A-D SF MRB	5.40	09/01/04	09/20/34	17,212.36	17,778.19			(71.88)		17,140.48	17,913.18	206.87	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	4,964.50	5,127.46			(39.65)		4,924.85	5,146.61	58.80	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	7,575.40	7,824.01			(33.76)		7,541.64	7,881.18	90.93	0.00
GNMA	2002 A-D SF MRB	5.40	07/01/04	07/20/34	6,365.59	6,574.50			(27.42)		6,338.17	6,623.54	76.46	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	4,164.64	4,301.46			(18.25)		4,146.39	4,333.21	50.00	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	12,610.94	13,025.18			(58.09)		12,552.85	13,118.40	151.31	0.00
GNMA	2002 A-D SF MRB	5.40	08/01/04	08/20/34	2,328.32	2,404.81			(10.92)		2,317.40	2,421.82	27.93	0.00
GNMA	2002 A-D SF MRB				2,751.63	2,842.01			(2,751.63)				(90.38)	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	14,313.66	14,757.92			(61.68)		14,251.98	14,867.86	171.62	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	1,695.62	1,695.62	0.86				1,696.48	1,696.48	-	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	4.70	4.70	0.00				4.70	4.70	-	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	1,312.95	1,312.95	0.75				1,313.70	1,313.70	-	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	4,866,197.02	4,866,197.02		(4,866,196.93)			0.09	0.09	-	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	142,061.53	142,061.53		(141,196.53)			865.00	865.00	-	0.00
GICs	2002 A-D SF MRB	5.01	06/26/02	03/01/34	679,383.65	679,383.65	2,974,613.47				3,653,997.12	3,653,997.12	-	0.00
GICs	2002 A-D SF MRB	4.51	06/26/02	03/01/34	121,420.89	121,420.89	18,760.69				140,181.58	140,181.58	-	0.00
GNMA	2002 A-D SF MRB	5.40	08/29/02	08/20/32	209,560.33	216,540.67			(64,845.29)		144,715.04	151,245.17	(450.21)	0.00
GNMA	2002 A-D SF MRB	6.15	11/12/02	11/20/32	164,061.61	173,179.25			(710.59)		163,351.22	175,581.95	3,113.29	0.00
GNMA	2002 A-D SF MRB	5.40	11/12/02	10/20/32	178,837.18	184,806.05			(895.93)		177,941.25	185,982.62	2,072.50	0.00
GNMA	2002 A-D SF MRB	6.15	09/12/02	08/20/32	60,848.48	64,226.13			(276.37)		60,572.11	65,103.42	1,153.66	0.00
GNMA	2002 A-D SF MRB				90,089.57	95,091.40			(90,089.57)				(5,001.83)	0.00
GNMA	2002 A-D SF MRB	5.40	09/19/02	09/20/32	233,756.93	241,548.35			(1,292.98)		232,463.95	242,958.76	2,703.39	0.00
GNMA	2002 A-D SF MRB	6.15	09/26/02	09/20/32	173,962.77	183,622.32			(950.71)		173,012.06	185,957.91	3,286.30	0.00
GNMA	2002 A-D SF MRB	5.40	09/26/02	09/20/32	226,690.83	234,247.88			(4,552.24)		222,138.59	232,168.41	2,472.77	0.00
GNMA	2002 A-D SF MRB	6.15	10/10/02	09/20/32	110,040.24	116,151.40			(499.48)		109,540.76	117,738.31	2,086.39	0.00
GNMA	2002 A-D SF MRB	5.40	10/10/02	09/20/32	67,330.94	69,576.14			(327.29)		67,003.65	70,029.59	780.74	0.00
GNMA	2002 A-D SF MRB	6.15	10/21/02	10/20/32	197,044.10	207,990.06			(4,148.83)		192,895.27	207,333.67	3,492.44	0.00
GNMA	2002 A-D SF MRB	6.15	10/29/02	10/20/32	122,993.24	129,826.30			(625.34)		122,367.90	131,527.95	2,326.99	0.00
GNMA	2002 A-D SF MRB	5.40	10/29/02	09/20/32	52,841.35	54,604.13			(477.40)		52,363.95	54,729.50	602.77	0.00
GNMA	2002 A-D SF MRB	6.15	11/05/02	10/20/32	59,673.02	62,988.51			(257.35)		59,415.67	63,863.60	1,132.44	0.00
GNMA	2002 A-D SF MRB	5.40	11/05/02	09/20/32	132,744.81	137,173.93			(752.41)		131,992.40	137,955.78	1,534.26	0.00
GNMA	2002 A-D SF MRB	6.15	11/19/02	11/20/32	78,619.56	82,989.11			(336.63)		78,282.93	84,144.68	1,492.20	0.00
GNMA	2002 A-D SF MRB	5.40	11/19/02	11/20/32	95,687.46	98,882.18			(469.80)		95,217.66	99,521.73	1,109.35	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	345,932.75	365,161.01			(1,868.14)		344,064.61	369,829.73	6,536.86	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	258,107.86	266,726.78			(86,713.25)		171,394.61	179,143.05	(870.48)	0.00
GNMA	2002 A-D SF MRB	6.15	11/26/02	11/20/32	98,378.48	103,846.71			(458.05)		97,920.43	105,253.14	1,864.48	0.00
GNMA	2002 A-D SF MRB	5.40	11/26/02	11/20/32	137,957.24	142,564.02			(711.74)		137,245.50	143,450.14	1,597.86	0.00
GNMA	2002 A-D SF MRB	5.40	12/12/02	12/20/32	103,082.13	106,526.12			(525.41)		102,556.72	107,194.93	1,194.22	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	60,644.71	64,017.43			(362.53)		60,282.18	64,798.26	1,143.36	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	197,553.06	204,155.65			(942.80)		196,610.26	205,504.64	2,291.59	0.00
GNMA	2002 A-D SF MRB	6.15	12/30/02	12/20/32	168,394.01	177,759.16			(742.91)		167,651.10	180,210.82	3,194.57	0.00
GNMA	2002 A-D SF MRB	5.40	12/30/02	12/20/32	97,611.39	100,873.82			(463.84)		97,147.55	101,542.35	1,132.37	0.00
GNMA	2002 A-D SF MRB	6.15	01/07/03	12/20/32	111,568.40	117,773.94			(494.52)		111,073.88	119,395.81	2,116.39	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	469,763.85	494,750.61			(2,360.84)		467,403.01	499,778.74	7,388.97	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	95,191.89	98,340.25			(452.48)		94,739.41	99,016.13	1,128.36	0.00
GNMA	2002 A-D SF MRB	6.15	01/23/03	01/20/33	103,902.59	109,429.20			(758.35)		103,144.24	110,288.79	1,617.94	0.00
GNMA	2002 A-D SF MRB	5.40	01/23/03	01/20/33	98,735.98	102,001.54			(466.10)		98,269.88	102,705.95	1,170.51	0.00
GNMA	2002 A-D SF MRB	6.15	01/30/03	01/20/33	229,039.85	241,223.71			(128,575.51)		100,464.34	107,423.76	(5,224.44)	0.00
GNMA	2002 A-D SF MRB	5.40	01/30/03	01/20/33	325,897.18	336,677.59			(1,739.57)		324,157.61	338,792.42	3,854.40	0.00
GNMA	2002 A-D SF MRB	6.15	02/12/03	02/20/33	310,972.88	327,520.17			(1,905.10)		309,067.78	330,482.73	4,867.66	0.00
GNMA	2002 A-D SF MRB	6.15	02/20/03	02/20/33	165,497.71	174,305.10			(901.93)		164,595.78	176,001.48	2,598.31	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	03/03/03	03/20/33	113,091.09	116,835.94			(527.38)		112,563.71	117,649.70	1,341.14	0.00
GNMA	2002 A-D SF MRB	6.15	02/27/03	02/20/33	422,125.57	444,592.38			(100,486.39)		321,639.18	343,929.02	(176.97)	0.00
GNMA	2002 A-D SF MRB	5.40	02/27/03	01/20/33	102,509.15	105,902.22			(485.67)		102,023.48	106,631.74	1,215.19	0.00
GNMA	2002 A-D SF MRB	6.15	03/12/03	02/20/33	304,869.74	321,098.72			(1,350.11)		303,519.63	324,556.68	4,808.07	0.00
GNMA	2002 A-D SF MRB	6.15	03/24/03	03/20/33	151,038.77	159,081.02			(663.97)		150,374.80	160,799.43	2,382.38	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	04/20/33	43,351.43	45,660.26			(179.16)		43,172.27	46,165.69	684.59	0.00
GNMA	2002 A-D SF MRB	6.15	04/02/03	03/20/33	95,867.25	100,972.54			(399.00)		95,468.25	102,087.25	1,513.71	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	300,692.55	316,707.19			(1,766.64)		298,925.91	319,652.67	4,712.12	0.00
GNMA	2002 A-D SF MRB	6.15	04/10/03	03/20/33	68,275.55	71,911.87			(287.04)		67,988.51	72,702.67	1,077.84	0.00
GNMA	2002 A-D SF MRB	6.15	04/17/03	04/20/33	158,102.85	166,525.09			(660.91)		157,441.94	168,360.39	2,496.21	0.00
GNMA	2002 A-D SF MRB	6.15	04/24/03	04/20/33	108,800.18	114,596.65			(452.83)		108,347.35	115,861.77	1,717.95	0.00
GNMA	2002 A-D SF MRB	6.15	04/29/03	03/20/33	84,801.63	89,319.35			(438.21)		84,363.42	90,214.22	1,333.08	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	49,604.68	52,247.97			(219.49)		49,385.19	52,810.83	782.35	0.00
GNMA	2002 A-D SF MRB	6.15	05/08/03	04/20/33	81,126.59	85,449.55			(348.91)		80,777.68	86,380.83	1,280.19	0.00
GNMA	2002 A-D SF MRB	6.15	05/15/03	04/20/33	83,585.04	88,039.39			(350.51)		83,234.53	89,008.51	1,319.63	0.00
GNMA	2002 A-D SF MRB	6.15	06/10/03	06/20/33	61,290.98	64,559.18			(256.45)		61,034.53	65,270.44	967.71	0.00
GNMA	2002 A-D SF MRB	6.15	06/19/03	05/20/33	39,491.77	41,597.61			(162.43)		39,329.34	42,058.90	623.72	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	50,049.04	52,719.49			(211.10)		49,837.94	53,298.50	790.11	0.00
GNMA	2002 A-D SF MRB	6.15	07/17/03	07/20/33	88,424.18	93,142.24			(691.45)		87,732.73	93,824.61	1,373.82	0.00
GNMA	2002 A-D SF MRB	6.15	07/24/03	07/20/33	84,328.01	88,827.96			(360.66)		83,967.35	89,798.23	1,330.93	0.00
GNMA	2002 A-D SF MRB	6.15	07/30/03	07/20/33	46,826.87	49,325.85			(190.23)		46,636.64	49,875.39	739.77	0.00
GNMA	2002 A-D SF MRB				53,488.40	56,344.66			(53,488.40)				(2,856.26)	0.00
GNMA	2002 A-D SF MRB	6.15	09/30/03	09/20/33	160,479.94	169,053.54			(691.48)		159,788.46	170,894.81	2,532.75	0.00
GNMA	2002 A-D SF MRB	6.15	10/09/03	08/20/33	56,129.23	59,128.01			(227.72)		55,901.51	59,787.07	886.78	0.00
GNMA	2002 A-D SF MRB	6.15	01/15/04	12/20/33	63,241.15	66,626.05			(254.12)		62,987.03	67,371.31	999.38	0.00
GNMA	2002 A-D SF MRB	6.15	03/11/04	03/20/34	61,138.54	64,210.44			(234.12)		60,904.42	64,790.61	814.29	0.00
GNMA	2002 A-D SF MRB	5.40	07/08/04	06/20/34	180,218.06	186,132.55			(876.35)		179,341.71	187,416.28	2,160.08	0.00
GNMA	2002 A-D SF MRB	6.15	04/01/04	04/20/34	38,586.60	40,526.21			(150.06)		38,436.54	40,889.98	513.83	0.00
GNMA	2002 A-D SF MRB	5.40	06/17/04	06/20/34	250,402.35	258,616.23			(1,084.55)		249,317.80	260,538.93	3,007.25	0.00
GNMA	2002 A-D SF MRB	5.40	09/02/04	09/20/34	372,459.48	384,704.33			(1,604.33)		370,855.15	387,573.75	4,473.75	0.00
GNMA	2002 A-D SF MRB	5.40	09/09/04	09/20/34	423,104.94	436,223.43			(1,817.05)		421,287.89	439,479.88	5,073.50	0.00
GNMA	2002 A-D SF MRB	5.40	09/16/04	09/20/34	412,294.02	425,853.20			(1,721.25)		410,572.77	429,086.65	4,954.70	0.00
GNMA	2002 A-D SF MRB	5.40	07/15/04	07/20/34	118,917.68	122,821.64			(949.80)		117,967.88	123,280.46	1,408.62	0.00
GNMA	2002 A-D SF MRB	5.40	07/22/04	07/20/34	181,456.09	187,414.02			(808.78)		180,647.31	188,783.49	2,178.25	0.00
GNMA	2002 A-D SF MRB	5.40	07/29/04	07/20/34	152,476.40	157,483.59			(656.72)		151,819.68	158,658.28	1,831.41	0.00
GNMA	2002 A-D SF MRB	5.40	08/05/04	08/20/34	99,758.74	103,035.80			(437.25)		99,321.49	103,796.43	1,197.88	0.00
GNMA	2002 A-D SF MRB	5.40	08/12/04	08/20/34	302,076.57	312,001.24			(1,391.31)		300,685.26	314,234.18	3,624.25	0.00
GNMA	2002 A-D SF MRB	5.40	08/20/04	08/20/34	55,771.36	57,604.04			(261.39)		55,509.97	58,011.58	668.93	0.00
GNMA	2002 A-D SF MRB				65,910.40	68,076.64			(65,910.40)				(2,166.24)	0.00
GNMA	2002 A-D SF MRB	5.40	12/02/04	12/20/34	210,384.19	217,318.46			(902.38)		209,481.81	218,943.37	2,527.29	0.00
GNMA	2002 A-D SF MRB	4.49	12/09/04	12/20/34	1,317,984.12	1,334,158.20			(6,613.89)		1,311,370.23	1,335,221.31	7,677.00	0.00
GNMA	2002 A-D SF MRB	4.49	12/16/04	12/20/34	886,823.74	897,712.11			(4,639.89)		882,183.85	898,234.36	5,162.14	0.00
GNMA	2002 A-D SF MRB	5.40	10/14/04	10/20/34	342,864.93	353,506.57			(1,477.43)		341,387.50	356,139.98	4,110.84	0.00
GNMA	2002 A-D SF MRB	4.49	10/14/04	09/20/34	105,722.35	107,306.07			(516.58)		105,205.77	107,488.95	699.46	0.00
GNMA	2002 A-D SF MRB	5.40	10/21/04	10/20/34	1,277,948.19	1,320,016.08			(5,761.22)		1,272,186.97	1,329,593.56	15,338.70	0.00
GNMA	2002 A-D SF MRB	4.49	10/21/04	10/20/34	219,441.24	222,730.45			(1,085.26)		218,355.98	223,096.76	1,451.57	0.00
GNMA	2002 A-D SF MRB	5.40	10/28/04	10/20/34	295,424.20	304,596.48			(1,298.47)		294,125.73	306,839.29	3,541.28	0.00
GNMA	2002 A-D SF MRB	4.49	10/29/04	10/20/34	389,380.06	394,143.00			(2,256.61)		387,123.45	394,148.95	2,262.56	0.00
GNMA	2002 A-D SF MRB	4.49	11/04/04	10/20/34	1,707,599.86	1,728,495.96			(127,053.78)		1,580,546.08	1,609,237.74	7,795.56	0.00
GNMA	2002 A-D SF MRB	5.40	11/04/04	11/20/34	441,836.47	456,387.88			(1,995.08)		439,841.39	459,695.89	5,303.09	0.00
GNMA	2002 A-D SF MRB	4.49	11/10/04	11/20/34	366,092.90	370,575.78			(2,073.84)		364,019.06	370,630.43	2,128.49	0.00
GNMA	2002 A-D SF MRB	5.40	11/10/04	11/20/34	65,653.56	67,816.11			(269.54)		65,384.02	68,335.86	789.28	0.00
GNMA	2002 A-D SF MRB	4.49	11/18/04	11/20/34	323,204.41	327,164.11			(1,680.73)		321,523.68	327,365.25	1,881.87	0.00
GNMA	2002 A-D SF MRB	4.49	11/23/04	11/20/34	1,369,585.03	1,386,369.96			(6,743.64)		1,362,841.39	1,387,606.21	7,979.89	0.00
GNMA	2002 A-D SF MRB	4.49	12/02/04	12/20/34	1,962,948.58	1,987,027.54			(10,069.76)		1,952,878.82	1,988,367.59	11,429.81	0.00
GNMA	2002 A-D SF MRB	4.49	12/23/04	12/20/34	1,134,540.63	1,148,476.24			(5,441.26)		1,129,099.37	1,149,648.08	6,613.10	0.00
GNMA	2002 A-D SF MRB	4.49	12/29/04	12/20/34	887,618.97	898,526.18			(5,076.77)		882,542.20	898,608.30	5,158.89	0.00
GNMA	2002 A-D SF MRB	4.49	01/06/05	01/20/35	2,100,325.11	2,123,717.71			(132,776.42)		1,967,548.69	2,000,529.76	9,588.47	0.00
GNMA	2002 A-D SF MRB	5.40	01/06/05	01/20/35	429,004.95	442,890.14			(1,893.73)		427,111.22	446,226.81	5,230.40	0.00
GNMA	2002 A-D SF MRB	4.49	01/13/05	01/20/35	1,042,972.63	1,054,595.21			(5,768.94)		1,037,203.69	1,054,595.13	5,768.86	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.40	01/13/05	01/20/35	129,498.78	133,690.96			(523.12)		128,975.66	134,748.71	1,580.87	0.00
GNMA	2002 A-D SF MRB	4.49	01/19/05	01/20/35	1,575,430.94	1,592,993.53			(7,862.74)		1,567,568.20	1,593,860.65	8,729.86	0.00
GNMA	2002 A-D SF MRB	5.40	01/19/05	01/20/35	178,953.63	184,747.52			(722.96)		178,230.67	186,209.36	2,184.80	0.00
GNMA	2002 A-D SF MRB	4.49	01/27/05	01/20/35	1,996,954.89	2,019,230.80			(14,316.83)		1,982,638.06	2,015,904.60	10,990.63	0.00
GNMA	2002 A-D SF MRB	4.49	02/03/05	02/20/35	2,471,217.10	2,498,806.00			(13,276.34)		2,457,940.76	2,499,205.01	13,675.35	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	778,836.74	787,535.72			(3,697.67)		775,139.07	788,156.18	4,318.13	0.00
GNMA	2002 A-D SF MRB	4.49	02/10/05	02/20/35	2,037,938.58	2,060,700.73			(10,413.87)		2,027,524.71	2,061,573.47	11,286.61	0.00
GNMA	2002 A-D SF MRB	5.40	02/17/05	11/20/34	99,782.36	103,076.89			(409.47)		99,372.89	103,866.97	1,199.55	0.00
GNMA	2002 A-D SF MRB	4.49	02/17/05	02/20/35	767,139.63	775,712.66			(4,020.86)		763,118.77	775,938.72	4,246.92	0.00
GNMA	2002 A-D SF MRB	4.49	02/24/05	02/20/35	1,240,662.72	1,254,533.86			(6,740.64)		1,233,922.08	1,254,657.58	6,864.36	0.00
GNMA	2002 A-D SF MRB	4.49	03/03/05	03/20/35	1,195,037.23	1,208,409.23			(5,878.80)		1,189,158.43	1,209,152.69	6,622.26	0.00
GNMA	2002 A-D SF MRB	4.49	03/11/05	03/20/35	433,688.07	438,543.50			(2,020.46)		431,667.61	438,928.20	2,405.16	0.00
GNMA	2002 A-D SF MRB	5.40	03/17/05	02/20/35	120,908.31	124,828.91			(514.04)		120,394.27	125,789.79	1,474.92	0.00
GNMA	2002 A-D SF MRB	4.49	03/17/05	03/20/35	724,570.55	732,685.57			(3,548.00)		721,022.55	733,153.77	4,016.20	0.00
GNMA	2002 A-D SF MRB	4.49	03/24/05	03/20/35	652,046.68	659,353.47			(3,337.38)		648,709.30	659,627.20	3,611.11	0.00
GNMA	2002 A-D SF MRB	4.49	04/07/05	04/20/35	910,796.72	921,016.03			(108,079.89)		802,716.83	816,238.23	3,302.09	0.00
GNMA	2002 A-D SF MRB	4.49	04/14/05	04/20/35	682,591.82	692,161.78			(3,231.66)		679,360.16	693,246.87	4,316.75	0.00
GNMA	2002 A-D SF MRB	5.40	04/21/05	04/20/35	102,376.61	105,507.85			(413.39)		101,963.22	106,341.00	1,246.54	0.00
GNMA	2002 A-D SF MRB	4.49	04/21/05	04/20/35	1,026,065.54	1,037,589.69			(4,750.42)		1,021,315.12	1,038,530.21	5,690.94	0.00
GNMA	2002 A-D SF MRB	4.49	04/28/05	04/20/35	994,886.01	1,006,066.06			(4,637.58)		990,248.43	1,006,945.95	5,517.47	0.00
GNMA	2002 A-D SF MRB	5.40	04/28/05	04/20/35	127,375.18	131,510.78			(534.72)		126,840.46	132,530.22	1,554.16	0.00
GNMA	2002 A-D SF MRB	4.49	05/05/05	05/20/35	1,505,809.51	1,522,743.39			(7,757.50)		1,498,052.01	1,523,325.96	8,340.07	0.00
GNMA	2002 A-D SF MRB	5.40	05/05/05	04/20/35	105,128.06	108,344.67			(446.13)		104,681.93	109,177.66	1,279.12	0.00
GNMA	2002 A-D SF MRB	4.49	05/12/05	05/20/35	830,501.05	839,845.65			(3,987.74)		826,513.31	840,461.78	4,603.87	0.00
GNMA	2002 A-D SF MRB	4.49	07/07/05	07/20/35	2,655,103.40	2,685,113.54			(90,959.66)		2,564,143.74	2,607,548.52	13,394.64	0.00
GNMA	2002 A-D SF MRB	5.40	07/07/05	07/20/35	112,527.11	116,188.16			(483.37)		112,043.74	117,077.35	1,372.56	0.00
GNMA	2002 A-D SF MRB	4.49	07/14/05	07/20/35	635,776.91	642,966.93			(2,916.10)		632,860.81	643,577.59	3,526.76	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/35	950,072.52	963,427.55			(5,494.87)		944,577.65	963,920.63	5,987.95	0.00
GNMA	2002 A-D SF MRB	5.40	05/26/05	05/20/35	154,829.61	159,860.64			(616.97)		154,212.64	161,134.30	1,890.63	0.00
GNMA	2002 A-D SF MRB	4.49	05/26/05	05/20/34	365,913.61	370,019.24			(1,715.79)		364,197.82	370,331.45	2,028.00	0.00
GNMA	2002 A-D SF MRB	4.49	06/02/05	06/20/35	862,337.77	874,467.49			(4,573.62)		857,764.15	875,337.35	5,443.48	0.00
GNMA	2002 A-D SF MRB	5.40	06/09/05	05/20/35	72,231.87	74,579.83			(350.55)		71,881.32	75,108.51	879.23	0.00
GNMA	2002 A-D SF MRB	4.49	06/09/05	06/20/35	1,050,854.86	1,062,705.67			(4,926.57)		1,045,928.29	1,063,606.52	5,827.42	0.00
GNMA	2002 A-D SF MRB	4.49	06/15/05	06/20/35	856,017.44	868,067.01			(4,048.88)		851,968.56	869,431.78	5,413.65	0.00
GNMA	2002 A-D SF MRB	4.49	06/23/05	06/20/35	1,750,734.29	1,770,497.52			(122,132.02)		1,628,602.27	1,656,147.24	7,781.74	0.00
GNMA	2002 A-D SF MRB	4.49	06/29/05	06/20/35	637,150.54	644,346.29			(2,905.48)		634,245.06	644,975.47	3,534.66	0.00
GNMA	2002 A-D SF MRB	4.49	09/08/05	09/20/35	171,416.53	173,842.72			(782.89)		170,633.64	174,144.51	1,084.68	0.00
GNMA	2002 A-D SF MRB	5.40	09/08/05	08/20/35	57,166.12	59,029.14			(236.54)		56,929.58	59,490.32	697.72	0.00
GNMA	2002 A-D SF MRB	4.49	09/15/05	09/20/35	204,833.00	207,161.16			(1,010.79)		203,822.21	207,285.39	1,135.02	0.00
GNMA	2002 A-D SF MRB	4.49	09/22/05	09/20/35	386,515.20	390,910.32			(1,895.71)		384,619.49	391,156.59	2,141.98	0.00
GNMA	2002 A-D SF MRB	4.49	07/21/05	07/20/35	344,012.43	348,865.78			(1,570.30)		342,442.13	349,472.28	2,176.80	0.00
GNMA	2002 A-D SF MRB	4.49	07/28/05	07/20/35	320,615.58	324,244.97			(98,348.58)		222,267.00	226,033.30	136.91	0.00
GNMA	2002 A-D SF MRB	4.49	08/04/05	08/20/35	71,342.69	72,350.22			(320.14)		71,022.55	72,481.71	451.63	0.00
GNMA	2002 A-D SF MRB	5.40	08/11/05	07/20/35	61,832.11	63,845.63			(240.93)		61,591.18	64,360.02	755.32	0.00
GNMA	2002 A-D SF MRB	4.49	08/11/05	07/20/35	516,934.05	524,235.92			(2,344.94)		514,589.11	525,162.30	3,271.32	0.00
GNMA	2002 A-D SF MRB	4.49	08/18/05	08/20/35	1,316,155.18	1,331,079.78			(88,283.64)		1,227,871.54	1,248,701.81	5,905.67	0.00
GNMA	2002 A-D SF MRB	4.49	08/30/05	08/20/35	2,421,824.08	2,449,311.17			(12,299.88)		2,409,524.20	2,450,425.39	13,414.10	0.00
GNMA	2002 A-D SF MRB	4.49	09/29/05	07/20/35	93,866.37	95,195.88			(431.94)		93,434.43	95,357.84	593.90	0.00
GNMA	2002 A-D SF MRB	4.49	10/13/05	09/20/35	266,801.78	269,840.23			(98,568.53)		168,233.25	171,095.50	(176.20)	0.00
GNMA	2002 A-D SF MRB	4.49	10/27/05	10/20/35	1,342,470.46	1,357,778.43			(6,768.46)		1,335,702.00	1,358,446.57	7,436.60	0.00
GNMA	2002 A-D SF MRB	4.49	11/01/05	11/20/35	437,640.01	443,856.31			(2,016.63)		435,623.38	444,608.59	2,768.91	0.00
FNMA	2002 A-D SF MRB	6.40	07/24/03	11/01/32	74,073.07	77,846.35			(292.10)		73,780.97	79,181.73	1,627.48	0.00
FNMA	2002 A-D SF MRB	5.40	08/14/03	09/01/32	55,056.74	56,794.07			(282.28)		54,774.46	57,020.09	508.30	0.00
FNMA	2002 A-D SF MRB	6.15	08/14/03	12/01/31	55,852.42	58,556.46			(935.49)		54,916.93	58,663.08	1,042.11	0.00
FNMA	2002 A-D SF MRB	6.40	08/28/03	11/01/32	46,179.28	48,531.65			(296.55)		45,883.73	49,242.41	1,006.31	0.00
FNMA	2002 A-D SF MRB	6.15	04/01/04	02/01/34	99,809.51	104,325.64			(388.74)		99,420.77	105,707.78	1,770.88	0.00
FNMA	2002 A-D SF MRB	5.40	10/28/04	10/01/34	292,692.20	301,553.43			(1,260.49)		291,431.71	303,007.88	2,714.94	0.00
FNMA	2002 A-D SF MRB	4.49	11/04/04	10/01/34	106,826.62	107,714.12			(543.91)		106,282.71	107,851.80	681.59	0.00
FNMA	2002 A-D SF MRB	4.49	12/23/04	12/01/34	217,055.33	218,863.39			(1,141.15)		215,914.18	219,106.62	1,384.38	0.00
FNMA	2002 A-D SF MRB	4.49	01/19/05	01/01/35	215,892.67	217,693.65			(1,077.84)		214,814.83	217,993.65	1,377.84	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	4.49	01/27/05	01/01/35	198,620.68	200,084.77			(1,111.09)		197,509.59	200,153.34	1,179.66	0.00
FNMA	2002 A-D SF MRB	4.49	03/14/05	12/01/34	235,972.07	237,945.09			(1,260.74)		234,711.33	238,188.87	1,504.52	0.00
FNMA	2002 A-D SF MRB	5.40	03/24/05	02/01/35	181,974.43	187,495.39			(100,700.72)		81,273.71	84,507.32	(2,287.35)	0.00
FNMA	2002 A-D SF MRB	4.49	04/07/05	02/01/35	204,068.32	205,578.31			(1,368.27)		202,700.05	205,419.01	1,208.97	0.00
FNMA	2002 A-D SF MRB	4.49	07/28/05	07/01/35	352,415.08	355,040.96			(2,111.51)		350,303.57	355,020.67	2,091.22	0.00
FNMA	2002 A-D SF MRB	5.40	07/14/05	04/01/35	108,374.05	111,572.46			(438.49)		107,935.56	112,140.79	1,006.82	0.00
FNMA	2002 A-D SF MRB	4.49	09/08/05	08/01/35	314,237.14	316,584.29			(1,503.42)		312,733.72	316,950.65	1,869.78	0.00
FNMA	2002 A-D SF MRB	4.49	10/20/05	09/01/35	87,508.98	88,164.20			(400.91)		87,108.07	88,284.22	520.93	0.00
FNMA	2002 A-D SF MRB	4.49	11/01/05	10/01/35	175,807.64	177,125.05			(1,009.53)		174,798.11	177,159.34	1,043.82	0.00
Repo Agmt	2002 A-D SF MRB	0.18	05/29/09	06/01/09	191,041.73	191,041.73	91.84				191,133.57	191,133.57	-	0.00
Freddie Mac	2002 A-D SF MRB	5.38	05/21/08	04/01/38	2,454.07	2,529.99			(7.92)		2,446.15	2,542.53	20.46	0.00
Freddie Mac	2002 A-D SF MRB	5.38	06/18/08	04/01/38	4,924.54	5,076.98			(26.68)		4,897.86	5,090.94	40.64	0.00
Freddie Mac	2002 A-D SF MRB	5.63	06/18/08	03/01/38	2,064.78	2,138.97			(32.98)		2,031.80	2,123.72	17.73	0.00
Freddie Mac	2002 A-D SF MRB	5.13	06/25/08	12/01/37	2,637.46	2,707.65			(9.04)		2,628.42	2,719.11	20.50	0.00
Freddie Mac	2002 A-D SF MRB	5.13	07/16/08	06/01/38	3,971.92	4,077.71			(13.27)		3,958.65	4,095.09	30.65	0.00
Freddie Mac	2002 A-D SF MRB	5.63	07/16/08	05/01/38	1,597.20	1,654.60			(4.86)		1,592.34	1,664.33	14.59	0.00
Freddie Mac	2002 A-D SF MRB	5.38	07/23/08	03/01/38	1,769.26	1,824.09			(19.09)		1,750.17	1,819.23	14.23	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	2,723.37	2,807.79			(8.58)		2,714.79	2,821.93	22.72	0.00
Freddie Mac	2002 A-D SF MRB	5.38	08/13/08	07/01/38	1,451.65	1,496.65			(19.50)		1,432.15	1,488.65	11.50	0.00
Freddie Mac	2002 A-D SF MRB	5.63	09/24/08	07/01/38	2,603.94	2,697.68			(7.79)		2,596.15	2,713.66	23.77	0.00
Freddie Mac	2002 A-D SF MRB	5.13	10/22/08	03/01/38	3,780.45	3,881.40			(12.73)		3,767.72	3,897.84	29.17	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/19/08	10/01/38	3,435.97	3,527.81			(11.09)		3,424.88	3,543.24	26.52	0.00
Freddie Mac	2002 A-D SF MRB	5.13	11/25/08	10/01/38	2,775.42	2,849.61			(24.25)		2,751.17	2,846.26	20.90	0.00
Freddie Mac	2002 A-D SF MRB	5.25	12/18/08	09/01/38	4,205.39	4,327.37			(27.73)		4,177.66	4,332.95	33.31	0.00
Freddie Mac	2002 A-D SF MRB	5.13	12/30/08	12/01/38	2,992.09	3,072.16			(9.55)		2,982.54	3,085.71	23.10	0.00
GNMA	2002 A-D SF MRB	5.38	02/20/07	02/20/37	16,635.87	17,206.02			(58.77)		16,577.10	17,339.60	192.35	0.00
GNMA	2002 A-D SF MRB	5.13	02/20/07	02/20/37	23,727.30	24,342.60			(94.46)		23,632.84	24,603.79	355.65	0.00
GNMA	2002 A-D SF MRB	5.63	02/20/07	02/20/37	10,689.37	11,081.22			(38.45)		10,650.92	11,177.88	135.11	0.00
GNMA	2002 A-D SF MRB	5.38	03/06/07	02/20/37	22,717.43	23,496.34			(90.45)		22,626.98	23,668.08	262.19	0.00
GNMA	2002 A-D SF MRB	5.63	03/06/07	02/20/37	4,917.40	5,097.73			(17.35)		4,900.05	5,142.55	62.17	0.00
GNMA	2002 A-D SF MRB	5.63	03/20/07	02/20/37	5,913.22	6,130.15			(20.14)		5,893.08	6,184.78	74.77	0.00
GNMA	2002 A-D SF MRB	5.13	03/20/07	03/20/37	22,961.07	23,557.22			(146.75)		22,814.32	23,752.34	341.87	0.00
GNMA	2002 A-D SF MRB	5.38	03/20/07	03/20/37	23,023.94	23,813.70			(100.92)		22,923.02	23,978.08	265.30	0.00
GNMA	2002 A-D SF MRB	5.13	03/06/07	02/20/37	8,382.10	8,599.61			(32.14)		8,349.96	8,693.15	125.68	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/07	04/20/37	23,739.62	24,356.86			(86.23)		23,653.39	24,626.81	356.18	0.00
GNMA	2002 A-D SF MRB	5.63	04/24/07	04/20/37	16,425.13	17,028.37			(56.11)		16,369.02	17,160.02	207.76	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	04/20/37	12,581.76	13,013.84			(46.04)		12,535.72	13,113.22	145.42	0.00
GNMA	2002 A-D SF MRB	5.13	03/27/07	03/20/37	18,462.85	18,942.34			(102.50)		18,360.35	19,115.37	275.53	0.00
GNMA	2002 A-D SF MRB	5.62	03/27/07	02/20/37	4,539.16	4,705.71			(15.13)		4,524.03	4,748.01	57.43	0.00
GNMA	2002 A-D SF MRB	5.38	04/24/07	03/20/37	8,316.41	8,601.97			(29.23)		8,287.18	8,668.91	96.17	0.00
GNMA	2002 A-D SF MRB	5.38	04/10/07	03/20/37	13,536.12	14,000.74			(46.92)		13,489.20	14,110.37	156.55	0.00
GNMA	2002 A-D SF MRB	5.13	04/10/07	03/20/37	22,181.86	22,758.23			(83.38)		22,098.48	23,007.54	332.69	0.00
GNMA	2002 A-D SF MRB	5.63	04/10/07	03/20/37	7,621.24	7,901.01			(26.06)		7,595.18	7,971.34	96.39	0.00
GNMA	2002 A-D SF MRB	5.13	05/08/07	04/20/37	12,928.25	13,264.58			(54.95)		12,873.30	13,403.27	193.64	0.00
GNMA	2002 A-D SF MRB	5.63	05/08/07	04/20/37	6,123.41	6,348.40			(19.97)		6,103.44	6,405.91	77.48	0.00
GNMA	2002 A-D SF MRB	5.38	05/08/07	05/20/37	13,823.10	14,298.01			(48.36)		13,774.74	14,409.52	159.87	0.00
GNMA	2002 A-D SF MRB	5.63	05/22/07	04/20/37	4,820.71	4,997.91			(15.91)		4,804.80	5,042.99	60.99	0.00
GNMA	2002 A-D SF MRB	5.38	05/22/07	05/20/37	20,092.83	20,783.46			(73.64)		20,019.19	20,942.01	232.19	0.00
GNMA	2002 A-D SF MRB	5.13	05/22/07	05/20/37	27,998.75	28,727.57			(154.26)		27,844.47	28,991.20	417.91	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	24,337.18	25,174.05			(86.41)		24,250.77	25,369.02	281.38	0.00
GNMA	2002 A-D SF MRB	5.63	06/05/07	05/20/37	7,668.28	7,950.24			(26.07)		7,642.21	8,021.18	97.01	0.00
GNMA	2002 A-D SF MRB	5.13	06/05/07	05/20/37	40,721.14	41,781.77			(179.79)		40,541.35	42,211.63	609.65	0.00
GNMA	2002 A-D SF MRB	5.38	06/19/07	05/20/37	9,334.84	9,655.96			(31.62)		9,303.22	9,732.35	108.01	0.00
GNMA	2002 A-D SF MRB	5.13	06/19/07	06/20/37	19,840.45	20,357.54			(73.32)		19,767.13	20,581.85	297.63	0.00
GNMA	2002 A-D SF MRB	5.63	06/19/07	06/20/37	9,717.84	10,075.34			(32.19)		9,685.65	10,166.12	122.97	0.00
GNMA	2002 A-D SF MRB	5.13	08/07/07	07/20/37	43,311.67	44,464.01			(2,939.21)		40,372.46	42,058.53	533.73	0.00
GNMA	2002 A-D SF MRB	5.38	07/03/07	05/20/37	17,692.03	18,300.89			(85.69)		17,606.34	18,418.73	203.53	0.00
GNMA	2002 A-D SF MRB	5.13	07/03/07	06/20/37	14,519.03	14,870.77			(51.42)		14,467.61	15,036.62	217.27	0.00
GNMA	2002 A-D SF MRB	5.38	07/17/07	06/20/37	18,026.75	18,647.46			(62.94)		17,963.81	18,793.00	208.48	0.00
GNMA	2002 A-D SF MRB	5.13	07/17/07	06/20/37	15,848.14	16,232.32			(66.14)		15,782.00	16,402.94	236.76	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 A-D SF MRB	5.38	04/24/08	04/20/38	4,781.96	4,949.85			(15.35)		4,766.61	4,990.70	56.20	0.00
GNMA	2002 A-D SF MRB	5.13	04/24/08	04/20/38	7,106.17	7,296.14			(23.63)		7,082.54	7,380.63	108.12	0.00
GNMA	2002 A-D SF MRB	5.38	04/22/08	03/20/38	6,454.20	6,680.78			(24.94)		6,429.26	6,731.49	75.65	0.00
GNMA	2002 A-D SF MRB	5.63	04/22/08	03/20/38	5,606.74	5,817.89			(17.15)		5,589.59	5,871.90	71.16	0.00
GNMA	2002 A-D SF MRB	5.38	05/07/08	03/20/38	2,426.27	2,511.48			(7.90)		2,418.37	2,532.10	28.52	0.00
GNMA	2002 A-D SF MRB	5.13	05/07/08	04/20/38	9,059.98	9,302.30			(30.33)		9,029.65	9,409.80	137.83	0.00
GNMA	2002 A-D SF MRB	5.63	05/07/08	04/20/38	5,837.01	6,056.91			(17.82)		5,819.19	6,113.15	74.06	0.00
GNMA	2002 A-D SF MRB	5.38	05/14/08	04/20/38	7,296.90	7,553.26			(23.10)		7,273.80	7,615.93	85.77	0.00
GNMA	2002 A-D SF MRB	5.13	05/21/08	05/20/38	12,327.63	12,634.60			(43.28)		12,284.35	12,778.25	186.93	0.00
GNMA	2002 A-D SF MRB	5.13	06/11/08	05/20/38	5,332.92	5,475.76			(17.67)		5,315.25	5,539.25	81.16	0.00
GNMA	2002 A-D SF MRB	5.63	07/09/08	06/20/38	6,364.61	6,604.84			(19.08)		6,345.53	6,666.56	80.80	0.00
GNMA	2002 A-D SF MRB	5.38	07/09/08	03/20/38	4,187.29	4,334.66			(14.15)		4,173.14	4,369.69	49.18	0.00
GNMA	2002 A-D SF MRB	5.13	07/16/08	06/20/38	2,465.63	2,531.77			(8.07)		2,457.56	2,561.22	37.52	0.00
GNMA	2002 A-D SF MRB	5.63	06/18/08	03/20/38	627.44	651.09			(1.97)		625.47	657.09	7.97	0.00
GNMA	2002 A-D SF MRB	5.63	06/25/08	05/20/38	3,983.83	4,134.14			(11.97)		3,971.86	4,172.74	50.57	0.00
GNMA	2002 A-D SF MRB	5.38	06/25/08	05/20/38	13,148.24	13,610.79			(43.47)		13,104.77	13,721.79	154.47	0.00
GNMA	2002 A-D SF MRB	5.38	07/23/08	06/20/38	7,234.97	7,489.74			(22.65)		7,212.32	7,552.14	85.05	0.00
GNMA	2002 A-D SF MRB	5.38	07/29/08	06/20/38	3,418.97	3,539.38			(10.67)		3,408.30	3,568.91	40.20	0.00
GNMA	2002 A-D SF MRB	5.13	08/27/08	06/20/38	5,151.11	5,289.54			(17.50)		5,133.61	5,350.41	78.37	0.00
GNMA	2002 A-D SF MRB	5.63	08/13/08	07/20/38	4,555.49	4,727.63			(14.52)		4,540.97	4,770.89	57.78	0.00
GNMA	2002 A-D SF MRB	5.38	08/13/08	07/20/38	3,558.97	3,684.37			(11.05)		3,547.92	3,715.17	41.85	0.00
GNMA	2002 A-D SF MRB	5.13	08/13/08	07/20/38	5,326.98	5,470.06			(36.16)		5,290.82	5,514.17	80.27	0.00
GNMA	2002 A-D SF MRB	5.63	08/27/08	08/20/38	2,330.39	2,418.49			(6.85)		2,323.54	2,441.23	29.59	0.00
GNMA	2002 A-D SF MRB	5.13	09/10/08	09/20/38	10,934.55	11,228.59			(42.89)		10,891.66	11,351.80	166.10	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	07/20/38	2,403.84	2,488.66			(7.46)		2,396.38	2,509.47	28.27	0.00
GNMA	2002 A-D SF MRB	5.13	09/24/08	08/20/38	4,714.26	4,841.10			(22.87)		4,691.39	4,889.65	71.42	0.00
GNMA	2002 A-D SF MRB	5.38	09/24/08	09/20/38	5,129.23	5,310.22			(24.12)		5,105.11	5,346.02	59.92	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	08/20/38	2,644.47	2,715.68			(8.92)		2,635.55	2,747.00	40.24	0.00
GNMA	2002 A-D SF MRB	5.63	10/15/08	08/20/38	2,736.43	2,840.03			(8.04)		2,728.39	2,866.74	34.75	0.00
GNMA	2002 A-D SF MRB	5.13	10/15/08	09/20/38	1,397.29	1,434.91			(4.49)		1,392.80	1,451.68	21.26	0.00
GNMA	2002 A-D SF MRB	5.63	10/29/08	09/20/38	3,604.97	3,741.52			(10.52)		3,594.45	3,776.77	45.77	0.00
GNMA	2002 A-D SF MRB	5.13	11/12/08	10/20/38	5,860.78	6,018.79			(19.04)		5,841.74	6,088.95	89.20	0.00
GNMA	2002 A-D SF MRB	5.38	11/12/08	10/20/38	1,918.16	1,985.95			(6.64)		1,911.52	2,001.83	22.52	0.00
GNMA	2002 A-D SF MRB	5.13	11/25/08	09/20/38	2,838.93	2,915.51			(9.22)		2,829.71	2,949.50	43.21	0.00
GNMA	2002 A-D SF MRB	5.38	11/25/08	11/20/38	10,549.47	10,922.46			(32.15)		10,517.32	11,014.39	124.08	0.00
GNMA	2002 A-D SF MRB	5.63	12/10/08	10/20/38	2,906.58	3,016.81			(8.42)		2,898.16	3,045.29	36.90	0.00
GNMA	2002 A-D SF MRB	5.38	12/10/08	11/20/38	6,134.47	6,351.47			(18.56)		6,115.91	6,405.06	72.15	0.00
GNMA	2002 A-D SF MRB	5.13	12/10/08	11/20/38	7,218.51	7,413.37			(44.92)		7,173.59	7,477.40	108.95	0.00
GNMA	2002 A-D SF MRB	5.38	12/17/08	11/20/38	7,598.97	7,867.83			(29.49)		7,569.48	7,927.42	89.08	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	11,530.28	11,891.80			(41.97)		11,488.31	12,004.36	154.53	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	4,244.48	4,377.55			(13.23)		4,231.25	4,421.31	56.99	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	12/20/38	5,874.04	6,058.22			(18.16)		5,855.88	6,118.94	78.88	0.00
GNMA	2002 A-D SF MRB	5.13	12/17/08	12/20/38	10,212.89	10,488.66			(32.39)		10,180.50	10,611.74	155.47	0.00
GNMA	2002 A-D SF MRB	5.25	12/17/08	11/20/38	5,961.28	6,148.19			(18.54)		5,942.74	6,209.69	80.04	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	12/20/38	14,182.95	14,627.75			(60.77)		14,122.18	14,756.64	189.66	0.00
GNMA	2002 A-D SF MRB	5.25	12/23/08	10/20/38	5,376.01	5,544.61			(16.77)		5,359.24	5,600.01	72.17	0.00
GNMA	2002 A-D SF MRB	5.13	12/30/08	12/20/38	5,616.97	5,768.72			(17.80)		5,599.17	5,836.42	85.50	0.00
GNMA	2002 A-D SF MRB	5.38	12/30/08	11/20/38	2,946.39	3,050.68			(19.64)		2,926.75	3,065.19	34.15	0.00
GNMA	2002 A-D SF MRB	5.25	12/30/08	12/20/38	1,987.85	2,050.21			(9.53)		1,978.32	2,067.22	26.54	0.00
GNMA	2002 A-D SF MRB	5.15	12/30/08	12/20/38	5,474.44	5,627.82			(17.39)		5,457.05	5,691.48	81.05	0.00
FNMA	2002 A-D SF MRB	5.13	02/20/07	01/01/37	9,333.74	9,568.64			(36.04)		9,297.70	9,599.85	67.25	0.00
FNMA	2002 A-D SF MRB	5.38	03/06/07	02/01/37	12,705.78	13,067.27			(112.31)		12,593.47	13,062.93	107.97	0.00
FNMA	2002 A-D SF MRB	5.63	03/06/07	02/01/37	5,848.63	6,037.53			(19.70)		5,828.93	6,079.71	61.88	0.00
FNMA	2002 A-D SF MRB	5.13	03/20/07	09/01/36	1,683.57	1,725.96			(24.31)		1,659.26	1,713.20	11.55	0.00
FNMA	2002 A-D SF MRB	5.63	03/20/07	02/01/37	7,671.97	7,919.78			(26.92)		7,645.05	7,974.00	81.14	0.00
FNMA	2002 A-D SF MRB	5.38	03/20/07	09/01/36	5,069.78	5,215.08			(39.93)		5,029.85	5,218.66	43.51	0.00
FNMA	2002 A-D SF MRB	5.13	03/27/07	03/01/37	8,971.64	9,195.70			(37.06)		8,934.58	9,223.40	64.76	0.00
FNMA	2002 A-D SF MRB	5.38	04/10/07	03/01/37	21,132.22	21,733.79			(76.06)		21,056.16	21,841.44	183.71	0.00
FNMA	2002 A-D SF MRB	5.63	04/10/07	03/01/37	11,409.37	11,776.06			(39.42)		11,369.95	11,859.32	120.68	0.00
FNMA	2002 A-D SF MRB	5.13	04/10/07	03/01/37	18,065.52	18,516.83			(78.95)		17,986.57	18,568.13	130.25	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	2002 A-D SF MRB	5.38	04/24/07	04/01/37	30,829.06	31,713.70			(115.69)		30,713.37	31,867.37	269.36	0.00
FNMA	2002 A-D SF MRB	5.13	04/24/07	04/01/37	9,927.16	10,175.23			(45.73)		9,881.43	10,201.00	71.50	0.00
FNMA	2002 A-D SF MRB	5.63	04/24/07	04/01/37	5,203.33	5,371.53			(17.76)		5,185.57	5,408.84	55.07	0.00
FNMA	2002 A-D SF MRB	5.13	05/08/07	04/01/37	5,162.26	5,291.29			(18.74)		5,143.52	5,309.89	37.34	0.00
FNMA	2002 A-D SF MRB	5.38	05/22/07	04/01/37	4,983.37	5,125.31			(17.56)		4,965.81	5,151.10	43.35	0.00
FNMA	2002 A-D SF MRB	5.13	05/22/07	04/01/37	4,132.13	4,235.44			(15.76)		4,116.37	4,249.55	29.87	0.00
FNMA	2002 A-D SF MRB	5.38	06/05/07	05/01/37	7,277.38	7,486.32			(30.91)		7,246.47	7,518.87	63.46	0.00
FNMA	2002 A-D SF MRB	5.63	06/05/07	05/01/37	8,449.62	8,722.90			(28.02)		8,421.60	8,784.31	89.43	0.00
FNMA	2002 A-D SF MRB	5.13	06/05/07	04/01/37	8,769.29	8,988.58			(41.51)		8,727.78	9,010.19	63.12	0.00
FNMA	2002 A-D SF MRB	5.38	06/19/07	05/01/37	13,698.77	14,089.17			(77.76)		13,621.01	14,129.45	118.04	0.00
FNMA	2002 A-D SF MRB	5.13	07/03/07	06/01/37	11,755.20	12,049.34			(69.10)		11,686.10	12,064.41	84.17	0.00
FNMA	2002 A-D SF MRB	5.13	04/08/08	03/01/38	3,677.90	3,791.46			(14.11)		3,663.79	3,826.61	49.26	0.00
FNMA	2002 A-D SF MRB	5.63	04/15/08	12/01/37	3,162.24	3,292.83			(38.87)		3,123.37	3,302.53	48.57	0.00
FNMA	2002 A-D SF MRB	5.38	04/15/08	01/01/38	5,303.04	5,500.41			(18.71)		5,284.33	5,538.53	56.83	0.00
FNMA	2002 A-D SF MRB	5.13	04/15/08	04/01/38	2,423.77	2,498.65			(10.17)		2,413.60	2,520.90	32.42	0.00
FNMA	2002 A-D SF MRB	5.38	04/29/08	04/01/38	3,503.03	3,633.45			(33.83)		3,469.20	3,636.13	36.51	0.00
	2002 A-D SF MRB Total				80,110,046.72	81,468,887.53	2,993,467.61	(5,007,393.46)	(1,923,907.71)	0.00	76,172,213.16	78,037,949.67	506,895.70	0.00
Repo Agmt	2004 A Jr. Lien	0.18	05/29/09	06/01/09	9,428.95	9,428.95		(9,379.61)			49.34	49.34	-	0.00
Repo Agmt	2004 A Jr. Lien	0.18	05/29/09	06/01/09	115,650.00	115,650.00	0.00				115,650.00	115,650.00	-	0.00
	2004 A Jr. Lien Total				125,078.95	125,078.95	0.00	(9,379.61)	0.00	0.00	115,699.34	115,699.34	0.00	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.18	05/29/09	06/01/09	31,163.40	31,163.40		(31,163.39)			0.01	0.01	-	0.00
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	733,636.53	733,636.53	1,385,066.27				2,118,702.80	2,118,702.80	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				2.97	2.97		(2.97)					-	0.00
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	99.20	99.20	2.97				102.17	102.17	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)	0.18	05/29/09	06/01/09	14,687.34	14,687.34		(14,551.79)			135.55	135.55	-	0.00
GICs	1991 A S/F (1980 A Refunding)	4.51	06/26/02	03/01/34	617,648.38	617,648.38	14,440.48				632,088.86	632,088.86	-	0.00
Repo Agmt	1991 A S/F (1980 A Refunding)				0.01	0.01		(0.01)					-	0.00
GICs	1991 A S/F (1980 A Refunding)	6.08	11/14/96	09/30/29	0.12	0.12	0.01				0.13	0.13	-	0.00
	1991 A S/F (1980 A Refunding) Total				1,397,237.95	1,397,237.95	1,399,509.73	(45,718.16)	0.00	0.00	2,751,029.52	2,751,029.52	0.00	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				465.79	465.79		(465.79)					-	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)				16.54	16.54		(16.54)					-	0.00
GICs	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	30,815.15	30,815.15		(27,815.00)			3,000.15	3,000.15	-	0.00
GICs	1994 A&B SF (1983 Refunding)	6.08	11/14/96	09/30/29	908.76	908.76	16.54				925.30	925.30	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	04/01/26	9,809.10	10,354.90			(87.69)		9,721.41	10,444.36	177.15	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	06/27/96	05/01/26	9,020.51	9,511.31			(124.66)		8,895.85	9,546.39	159.74	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/01/26	10,253.37	10,833.47			(109.13)		10,144.24	10,908.12	183.78	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	07/01/96	06/01/26	7,708.59	8,148.77			(67.04)		7,641.55	8,221.02	139.29	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/01/26	10,637.41	11,241.50			(205.78)		10,431.63	11,219.38	183.66	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/01/26	7,836.78	8,210.54			(79.39)		7,757.39	8,261.83	130.68	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	08/01/26	7,202.52	7,538.30			(88.55)		7,113.97	7,568.91	119.16	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/01/26	15,642.23	16,368.50			(266.03)		15,376.20	16,356.61	254.14	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	11/01/26	11,094.75	11,614.85			(2,583.25)		8,511.50	9,058.11	26.51	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	01/01/27	10,755.69	11,252.56			(158.59)		10,597.10	11,270.29	176.32	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	07/01/27	4,959.33	5,226.40			(36.85)		4,922.48	5,289.87	100.32	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/30/96	07/20/26	44,268.72	46,436.32			(467.01)		43,801.71	47,121.36	1,152.05	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/28/96	03/20/26	11,920.17	12,502.88			(2,094.39)		9,825.78	10,569.74	161.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/15/96	07/20/26	36,363.21	38,135.39			(526.78)		35,836.43	38,544.14	935.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/96	04/20/26	13,667.66	14,334.08			(1,638.98)		12,028.68	12,937.93	242.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/15/96	05/20/26	44,627.97	46,801.06			(451.18)		44,176.79	47,512.71	1,162.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/30/96	05/20/26	15,603.60	16,366.67			(165.07)		15,438.53	16,607.63	406.03	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/17/96	06/20/26	47,151.76	49,452.80			(475.05)		46,676.71	50,206.49	1,228.74	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/29/96	06/20/26	11,395.47	11,949.54			(90.69)		11,304.78	12,157.63	298.78	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/15/96	06/20/26	59,380.38	62,260.62			(669.73)		58,710.65	63,132.90	1,542.01	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/29/96	08/20/26	40,394.06	42,206.59			(528.94)		39,865.14	42,721.51	1,043.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/16/96	09/20/26	19,780.83	20,655.45			(266.04)		19,514.79	20,900.12	510.71	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/26/96	09/20/26	12,702.24	13,268.66			(151.28)		12,550.96	13,446.72	329.34	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	10/30/96	10/20/26	43,485.42	45,411.74			(455.98)		43,029.44	46,087.63	1,131.87	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/26/96	11/20/26	26,222.04	27,403.44			(289.98)		25,932.06	27,794.93	681.47	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	12/23/96	12/20/26	15,073.46	15,736.83			(156.54)		14,916.92	15,972.75	392.46	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/16/97	12/20/26	35,807.86	37,384.53			(395.37)		35,412.49	37,919.76	930.60	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	01/30/97	01/20/27	18,640.82	19,545.12			(219.01)		18,421.81	19,743.57	417.46	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/13/97	02/20/27	14,289.49	14,982.18			(129.20)		14,160.29	15,175.78	322.80	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/27/97	02/20/27	6,890.95	7,218.05			(73.78)		6,817.17	7,299.13	154.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/27/97	03/20/27	22,156.54	23,193.15			(313.80)		21,842.74	23,371.99	492.64	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/97	04/20/27	10,529.42	11,015.12			(82.31)		10,447.11	11,171.60	238.79	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	05/29/97	05/20/27	12,867.60	13,461.12			(304.09)		12,563.51	13,434.73	277.70	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/26/97	06/20/27	8,260.37	8,644.78			(549.07)		7,711.30	8,249.24	153.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	08/18/97	07/20/27	12,884.95	13,559.84			(152.77)		12,732.18	13,695.45	288.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/29/97	08/20/27	27,304.45	28,576.40			(216.07)		27,088.38	28,979.39	619.06	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	02/26/98	02/20/28	6,636.36	6,949.07			(63.62)		6,572.74	7,026.40	140.95	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	03/26/98	01/20/28	7,231.38	7,572.14			(434.75)		6,796.63	7,265.75	128.36	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	04/29/98	04/20/28	11,033.56	11,553.38			(87.64)		10,945.92	11,701.31	235.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	06/25/98	05/20/28	8,501.18	8,901.78			(76.11)		8,425.07	9,006.58	180.91	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	07/16/98	06/20/28	4,523.42	4,736.60			(91.02)		4,432.40	4,738.36	92.78	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	09/10/98	07/20/28	17,180.11	17,989.64			(175.18)		17,004.93	18,178.60	364.14	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.15	11/19/98	10/20/28	26,618.61	27,872.87			(193.61)		26,425.00	28,248.85	569.59	0.00
Repo Agmt	1994 A&B SF (1983 Refunding)	0.18	05/29/09	06/01/09	148,289.38	148,289.38		(98,265.96)			50,023.42	50,023.42	-	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/01/28	1,881.29	1,973.86			(27.94)		1,853.35	1,980.39	34.47	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/01/28	3,619.90	3,799.16			(35.19)		3,584.71	3,836.29	72.32	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	05/01/28	923.64	969.35			(35.12)		888.52	950.85	16.62	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.75	02/20/98	01/20/28	18,713.44	19,637.53			(172.57)		18,540.87	19,855.25	390.29	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	09/01/28	4,116.95	4,320.84			(28.12)		4,088.83	4,375.81	83.09	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/27/98	03/20/28	40,378.23	42,372.11			(672.35)		39,705.88	42,520.64	820.88	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/19/98	05/20/28	23,382.16	24,536.76			(213.36)		23,168.80	24,811.22	487.82	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	17,508.73	18,040.23			(141.59)		17,367.14	18,087.46	188.82	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	08/14/98	07/20/28	14,735.58	15,463.22			(138.43)		14,597.15	15,631.94	307.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	06/29/98	06/20/28	7,212.25	7,568.41			(50.91)		7,161.34	7,669.03	151.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	09/18/98	09/20/28	10,976.85	11,518.86			(76.71)		10,900.14	11,672.82	230.67	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	11/01/28	1,920.30	2,015.41			(59.27)		1,861.03	1,991.65	35.51	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	8,630.06	9,056.19			(59.03)		8,571.03	9,178.61	181.45	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	11/20/28	7,551.57	7,924.48			(56.15)		7,495.42	8,026.78	158.45	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	11/30/98	10/20/28	2,555.40	2,681.58			(16.74)		2,538.66	2,718.61	53.77	0.00
FNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	11/01/28	1,365.80	1,433.00			(273.12)		1,092.68	1,167.58	7.70	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	02/16/99	02/20/29	14,921.79	15,650.72			(1,129.81)		13,791.98	14,769.83	238.92	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	03/31/99	02/20/29	965.89	1,013.70			(16.18)		949.71	1,017.02	19.50	0.00
GNMA	1994 A&B SF (1983 Refunding)	6.25	05/27/99	05/20/29	5,531.40	5,805.34			(37.64)		5,493.76	5,883.28	115.58	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	10,088.83	10,403.74			(76.04)		10,012.79	10,433.46	105.76	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	10,880.77	11,220.33			(81.59)		10,799.18	11,252.82	114.08	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	1,666.22	1,720.32			(10.59)		1,655.63	1,725.14	15.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	5,384.15	5,552.19			(35.64)		5,348.51	5,573.19	56.64	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	5,977.67	6,173.06			(49.46)		5,928.21	6,178.42	54.82	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	4,279.24	4,419.13			(67.29)		4,211.95	4,389.74	37.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/28/99	10/20/29	19,457.03	20,064.29			(156.49)		19,300.54	20,111.37	203.57	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	2,787.49	2,874.50			(68.58)		2,718.91	2,833.15	27.23	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	35,311.83	36,413.87			(330.51)		34,981.32	36,450.85	367.49	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	11,859.43	12,219.58			(74.54)		11,784.89	12,273.83	128.79	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	5,008.13	5,160.17			(31.85)		4,976.28	5,182.69	54.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	6,934.69	7,145.22			(58.48)		6,876.21	7,161.43	74.69	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	4,482.49	4,620.16			(33.43)		4,449.06	4,629.34	42.61	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	8,084.08	8,329.48			(60.96)		8,023.12	8,355.89	87.37	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	1,528.90	1,575.26			(9.43)		1,519.47	1,582.44	16.61	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	9,350.63	9,634.51			(60.27)		9,290.36	9,675.72	101.48	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	15,526.78	15,998.14			(100.28)		15,426.50	16,066.37	168.51	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	2,269.94	2,339.57			(41.66)		2,228.28	2,318.51	20.60	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	83,734.83	86,348.14			(631.16)		83,103.67	86,594.81	877.83	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	90,307.07	93,125.61			(677.18)		89,629.89	93,395.30	946.87	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	08/01/29	13,827.54	14,279.33			(87.89)		13,739.65	14,319.37	127.93	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	44,687.02	46,081.66			(295.89)		44,391.13	46,255.96	470.19	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/20/99	12/01/29	49,612.89	51,234.73			(410.51)		49,202.38	51,279.21	454.99	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	01/19/00	12/01/29	35,516.59	36,677.60			(556.51)		34,958.08	36,433.64	314.55	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/26/99	10/20/29	161,488.00	166,528.04			(1,298.74)		160,189.26	166,918.80	1,689.50	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	23,135.52	23,857.56			(569.17)		22,566.35	23,514.36	225.97	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/30/29	293,078.07	302,224.98			(2,743.11)		290,334.96	302,531.87	3,050.00	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	98,430.73	101,419.11			(618.64)		97,812.09	101,869.37	1,068.90	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	41,566.09	42,828.02			(264.37)		41,301.72	43,014.89	451.24	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	15,597.68	16,071.20			(131.53)		15,466.15	16,107.66	167.99	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/22/99	06/20/29	92,939.99	95,840.69			(1,287.05)		91,652.94	95,503.32	949.68	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/30/99	07/20/29	116,528.85	120,165.69			(909.64)		115,619.21	120,476.34	1,220.29	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/26/99	08/20/29	78,855.14	81,316.19			(610.01)		78,245.13	81,532.19	826.01	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/20/99	09/20/29	65,886.21	67,942.48			(440.81)		65,445.40	68,194.72	693.05	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/99	11/01/29	36,889.92	38,095.81			(613.79)		36,276.13	37,807.30	325.28	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/29/99	10/20/29	123,638.85	127,497.62			(900.03)		122,738.82	127,895.09	1,297.50	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	11/18/99	11/20/29	176,003.42	181,496.51			(1,270.71)		174,732.71	182,073.26	1,847.46	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/30/99	12/20/29	144,537.29	149,048.33			(977.57)		143,559.72	149,590.69	1,519.93	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	01/28/00	01/20/30	164,707.48	169,707.99			(1,160.32)		163,547.17	170,331.08	1,783.41	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	02/22/00	01/20/30	89,883.54	92,612.40			(805.88)		89,077.66	92,772.59	966.07	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	39,375.52	40,570.69			(254.61)		39,120.91	40,743.37	427.29	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/23/00	01/01/30	19,400.41	20,034.60			(119.86)		19,280.55	20,094.37	179.63	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/28/00	06/20/30	145,317.07	149,728.90			(1,175.17)		144,141.90	150,120.91	1,567.18	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	41,958.27	43,232.12			(353.81)		41,604.46	43,330.21	451.90	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/01/30	37,203.55	38,346.06			(277.51)		36,926.04	38,422.28	353.73	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	04/20/30	67,095.38	69,132.40			(505.92)		66,589.46	69,351.59	725.11	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	04/20/30	12,689.00	13,074.22			(78.21)		12,610.79	13,133.87	137.86	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	05/20/30	77,607.62	79,963.72			(500.19)		77,107.43	80,305.78	842.25	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	09/18/00	09/20/30	128,867.76	132,780.17			(832.27)		128,035.49	133,346.39	1,398.49	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	18,639.29	19,417.84			(345.67)		18,493.62	19,242.98	170.81	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/20/30	142,216.47	146,534.16			(1,070.81)		141,145.66	147,000.37	1,537.02	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	08/28/00	08/20/30	30,658.58	31,589.40			(188.33)		30,470.25	31,734.19	333.12	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	03/27/00	02/20/30	5,928.71	6,108.93			(38.34)		5,890.37	6,134.93	64.34	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	04/27/00	03/20/30	52,971.94	54,580.14			(376.81)		52,595.13	54,776.75	573.42	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	05/30/00	05/20/30	72,887.67	75,100.57			(1,458.47)		71,429.20	74,392.12	750.02	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	06/21/00	06/20/30	136,149.43	140,282.93			(851.33)		135,298.10	140,910.27	1,478.67	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	05/31/00	05/01/30	26,581.30	27,397.65			(434.21)		26,147.09	27,206.62	243.18	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/23/00	09/20/30	5,526.10	5,693.85			(37.61)		5,488.49	5,716.13	59.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	10/20/30	35,967.20	37,059.10			(284.55)		35,682.65	37,162.70	388.15	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	07/24/00	06/01/30	59,666.81	61,499.13			(749.15)		58,917.66	61,304.96	554.98	0.00
GNMA	1994 A&B SF (1983 Refunding)	5.45	12/21/00	05/20/30	8,760.96	9,026.96			(66.89)		8,694.07	9,054.70	94.63	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/06/00	09/01/30	40,638.60	41,886.62			(7,234.14)		33,404.46	34,758.01	105.53	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	10/30/00	08/01/30	43,519.71	44,856.17			(407.65)		43,112.06	44,858.93	410.41	0.00
FNMA	1994 A&B SF (1983 Refunding)	5.45	02/12/01	02/01/30	10,319.40	10,656.74			(64.15)		10,255.25	10,688.12	95.53	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	07/07/05	07/20/35	188,262.81	190,390.71			(6,449.59)		181,813.22	184,890.88	949.76	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/15/05	09/20/35	14,523.86	14,688.97			(71.67)		14,452.19	14,697.78	80.48	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/22/05	09/20/35	27,406.25	27,717.90			(134.43)		27,271.82	27,735.36	151.89	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/11/05	07/20/35	36,653.75	37,171.48			(166.27)		36,487.48	37,237.17	231.96	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/18/05	08/20/35	93,071.48	94,381.56			(6,321.42)		86,750.06	88,540.47	480.33	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	08/30/05	08/20/35	171,721.89	173,670.90			(872.14)		170,849.75	173,749.91	951.15	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	09/29/05	07/20/35	6,655.67	6,749.96			(30.63)		6,625.04	6,761.44	42.11	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/13/05	09/20/35	18,917.85	19,133.29			(6,989.10)		11,928.75	12,131.69	(12.50)	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	10/27/05	10/20/35	95,189.27	96,274.66			(479.93)		94,709.34	96,322.03	527.30	0.00
GNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	11/20/35	31,031.33	31,472.09			(142.99)		30,888.34	31,525.43	196.33	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	09/08/05	08/01/35	22,281.32	22,447.72			(106.59)		22,174.73	22,473.70	132.57	0.00
FNMA	1994 A&B SF (1983 Refunding)	4.49	11/01/05	10/01/35	12,465.82	12,559.23			(71.59)		12,394.23	12,561.66	74.02	0.00
	1994 A&B SF (1983 Refunding) Total				5,345,760.29	5,508,140.16	16.54	(126,563.29)	(77,183.84)	0.00	5,142,029.70	5,366,183.75	61,774.18	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				0.70	0.70		(0.70)					-	0.00
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	23.53	23.53	0.70				24.23	24.23	-	0.00
Repo Agmt	1995 C SF (1985 A&B Refunding)				0.01	0.01		(0.01)					-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GICs	1995 C SF (1985 A&B Refunding)	6.08	11/14/96	09/30/29	0.33	0.33	0.01				0.34	0.34	-	0.00
	1995 C SF (1985 A&B Refunding) Total				24.57	24.57	0.71	(0.71)	0.00	0.00	24.57	24.57	0.00	0.00
Repo Agmt	2005 Single Family	0.18	05/29/09	06/01/09	1,198,367.77	1,198,367.77		(733,283.30)			465,084.47	465,084.47	-	0.00
Repo Agmt	2005 Single Family	0.18	05/29/09	06/01/09	4,434,697.58	4,434,697.58		(3,581,794.21)			852,903.37	852,903.37	-	0.00
GICs	2005 Single Family	3.37	09/22/05	09/01/36			2,192,118.80				2,192,118.80	2,192,118.80	-	0.00
GNMA	2005 Single Family	4.49	08/11/05	07/20/35	1,169,037.03	1,184,125.60			(5,571.34)		1,163,465.69	1,185,018.87	6,464.61	0.00
GNMA	2005 Single Family	4.49	08/30/05	08/20/35	659,918.46	668,450.09			(3,034.34)		656,884.12	669,067.73	3,651.98	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	1,629,760.10	1,650,933.54			(7,364.27)		1,622,395.83	1,652,589.20	9,019.93	0.00
GNMA	2005 Single Family	4.49	10/27/05	10/20/35	966,784.59	979,344.82			(4,345.20)		962,439.39	980,350.75	5,351.13	0.00
GNMA	2005 Single Family	4.49	09/29/05	09/20/35	6,187,153.31	6,267,345.36			(145,619.30)		6,041,534.01	6,153,782.71	32,056.65	0.00
GNMA	2005 Single Family	4.49	10/06/05	09/20/35	1,886,361.78	1,910,824.55			(8,746.46)		1,877,615.32	1,912,514.01	10,435.92	0.00
GNMA	2005 Single Family	4.49	10/20/05	10/20/35	1,297,458.72	1,314,305.72			(92,729.66)		1,204,729.06	1,227,142.10	5,566.04	0.00
GNMA	2005 Single Family	4.49	12/08/05	12/20/35	1,093,296.59	1,107,551.93			(4,864.70)		1,088,431.89	1,108,740.68	6,053.45	0.00
GNMA	2005 Single Family	4.49	12/15/05	12/20/35	965,178.52	980,471.52			(99,702.31)		865,476.21	884,742.99	3,973.78	0.00
GNMA	2005 Single Family	4.49	11/03/05	11/20/35	375,061.93	380,988.14			(1,930.65)		373,131.28	381,421.19	2,363.70	0.00
GNMA	2005 Single Family	4.49	11/10/05	11/20/35	1,867,253.43	1,896,768.65			(10,770.49)		1,856,482.94	1,897,741.99	11,743.83	0.00
GNMA	2005 Single Family	4.49	11/17/05	11/20/35	1,335,082.81	1,352,459.32			(6,615.93)		1,328,466.88	1,353,221.59	7,378.20	0.00
GNMA	2005 Single Family	4.49	11/22/05	11/20/35	697,172.59	706,250.05			(3,575.39)		693,597.20	706,525.27	3,850.61	0.00
GNMA	2005 Single Family	4.49	11/29/05	11/20/35	1,048,630.34	1,065,225.20			(4,983.97)		1,043,646.37	1,066,860.12	6,618.89	0.00
GNMA	2005 Single Family	4.49	12/22/05	12/20/35	1,449,019.09	1,471,987.36			(6,994.11)		1,442,024.98	1,474,137.06	9,143.81	0.00
GNMA	2005 Single Family	4.49	12/29/05	12/20/35	2,496,272.83	2,528,872.45			(12,880.88)		2,483,391.95	2,529,777.46	13,785.89	0.00
GNMA	2005 Single Family	4.49	01/05/06	01/20/36	1,559,400.31	1,578,473.20			(7,524.52)		1,551,875.79	1,579,247.57	8,298.89	0.00
GNMA	2005 Single Family	4.49	01/12/06	01/20/36	1,552,065.19	1,575,433.17			(6,996.83)		1,545,068.36	1,577,903.90	9,467.56	0.00
GNMA	2005 Single Family	4.49	03/09/06	02/20/36	1,439,847.72	1,457,549.67			(8,200.65)		1,431,647.07	1,456,991.01	7,641.99	0.00
GNMA	2005 Single Family	4.49	03/02/06	02/20/36	1,770,704.34	1,792,463.07			(8,322.30)		1,762,382.04	1,793,568.15	9,427.38	0.00
GNMA	2005 Single Family	4.49	01/19/06	01/20/36	874,783.52	885,494.54			(4,428.01)		870,355.51	885,718.36	4,651.83	0.00
GNMA	2005 Single Family	4.49	01/26/06	01/20/36	1,177,141.11	1,191,561.53			(5,707.35)		1,171,433.76	1,192,119.46	6,265.28	0.00
GNMA	2005 Single Family	4.49	02/02/06	02/20/36	2,689,412.06	2,722,385.81			(129,562.74)		2,559,849.32	2,605,078.57	12,255.50	0.00
GNMA	2005 Single Family	4.49	02/09/06	02/20/36	1,140,642.27	1,154,635.36			(126,401.13)		1,014,241.14	1,032,167.72	3,933.49	0.00
GNMA	2005 Single Family	4.49	02/16/06	02/20/36	1,603,060.70	1,622,738.10			(8,506.65)		1,594,554.05	1,622,749.07	8,517.62	0.00
GNMA	2005 Single Family	4.49	02/23/06	02/20/36	1,763,058.72	1,784,710.91			(8,908.12)		1,754,150.60	1,785,180.25	9,377.46	0.00
GNMA	2005 Single Family	4.49	05/11/06	04/20/36	848,568.49	859,058.32			(4,194.36)		844,374.13	859,379.05	4,515.09	0.00
GNMA	2005 Single Family	4.49	05/11/06	05/20/36	381,388.39	387,179.49			(2,091.66)		379,296.73	387,406.40	2,318.57	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	1,025,883.47	1,038,575.78			(167,486.57)		858,396.90	873,658.99	2,569.78	0.00
GNMA	2005 Single Family	4.49	05/18/06	05/20/36	416,160.50	422,482.58			(2,443.75)		413,716.75	422,564.91	2,526.08	0.00
GNMA	2005 Single Family	4.49	03/16/06	03/20/36	720,545.97	731,443.38			(3,211.61)		717,334.36	732,627.19	4,395.42	0.00
GNMA	2005 Single Family	4.49	03/23/06	03/20/36	1,810,002.81	1,832,287.06			(8,065.91)		1,801,936.90	1,833,865.59	9,644.44	0.00
GNMA	2005 Single Family	4.49	03/30/06	03/20/36	1,112,364.68	1,126,066.64			(4,987.89)		1,107,376.79	1,127,006.49	5,927.74	0.00
GNMA	2005 Single Family	4.49	04/06/06	03/20/36	1,641,431.38	1,661,662.02			(117,473.00)		1,523,958.38	1,550,981.88	6,792.86	0.00
GNMA	2005 Single Family	4.49	04/13/06	03/20/36	1,050,714.12	1,063,671.72			(13,454.14)		1,037,259.98	1,055,660.63	5,443.05	0.00
GNMA	2005 Single Family	4.49	04/20/06	04/20/36	1,822,410.83	1,844,901.92			(8,763.11)		1,813,647.72	1,845,839.89	9,701.08	0.00
GNMA	2005 Single Family	4.49	04/27/06	04/20/36	624,795.53	632,510.85			(3,993.82)		620,801.71	631,824.73	3,307.70	0.00
GNMA	2005 Single Family	4.49	05/05/06	04/20/36	1,574,619.94	1,598,516.51			(250,342.71)		1,324,277.23	1,352,579.11	4,405.31	0.00
GNMA	2005 Single Family	4.49	05/25/06	05/20/36	977,024.55	989,119.34			(4,435.40)		972,589.15	989,888.53	5,204.59	0.00
GNMA	2005 Single Family	4.49	06/01/06	06/20/36	1,279,664.05	1,299,125.04			(5,927.59)		1,273,736.46	1,301,000.26	7,802.81	0.00
GNMA	2005 Single Family	4.49	06/08/06	06/20/36	1,498,315.49	1,516,888.03			(6,700.68)		1,491,614.81	1,518,170.67	7,983.32	0.00
GNMA	2005 Single Family	4.49	06/15/06	06/20/36	1,108,992.84	1,125,874.22			(5,124.48)		1,103,868.36	1,127,511.03	6,761.29	0.00
GNMA	2005 Single Family	4.49	06/27/06	06/20/36	1,787,091.88	1,814,315.62			(206,814.41)		1,580,277.47	1,614,141.81	6,640.60	0.00
GNMA	2005 Single Family	4.49	07/06/06	07/20/36	776,844.28	788,687.15			(3,548.04)		773,296.24	789,877.08	4,737.97	0.00
GNMA	2005 Single Family	4.49	07/13/06	06/20/36	1,170,703.25	1,188,555.24			(5,260.77)		1,165,442.48	1,190,436.43	7,141.96	0.00
GNMA	2005 Single Family	4.49	07/19/06	06/20/36	1,823,791.04	1,846,470.81			(8,574.02)		1,815,217.02	1,847,606.90	9,710.11	0.00
GNMA	2005 Single Family	4.49	07/27/06	07/20/36	1,168,085.51	1,185,917.95			(5,024.90)		1,163,060.61	1,188,022.66	7,129.61	0.00
GNMA	2005 Single Family	4.49	08/02/06	08/20/36	726,980.78	738,085.13			(3,114.26)		723,866.52	739,409.17	4,438.30	0.00
GNMA	2005 Single Family	4.49	08/09/06	08/20/36	1,818,060.17	1,845,843.35			(83,816.02)		1,734,244.15	1,771,492.02	9,464.69	0.00
GNMA	2005 Single Family	4.49	08/16/06	07/20/36	941,719.38	953,459.03			(76,915.68)		864,803.70	880,261.53	3,718.18	0.00
GNMA	2005 Single Family	4.49	08/23/06	07/20/36	747,753.62	759,188.31			(3,319.15)		744,434.47	760,431.81	4,562.65	0.00
GNMA	2005 Single Family	4.49	09/06/06	08/20/36	838,479.74	851,316.41			(3,608.78)		834,870.96	852,825.47	5,117.84	0.00
GNMA	2005 Single Family	4.49	09/12/06	08/20/36	502,650.26	510,348.18			(2,114.58)		500,535.68	511,303.21	3,069.61	0.00
GNMA	2005 Single Family	4.49	09/26/06	09/20/36	587,669.03	596,679.20			(2,543.02)		585,126.01	597,722.87	3,586.69	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change in Market Value	Recognized Gain
GNMA	2005 Single Family	4.49	10/17/06	10/20/36	1,031,354.69	1,047,190.78			(4,577.11)		1,026,777.58	1,048,906.94	6,293.27	0.00
GNMA	2005 Single Family	4.49	11/14/06	10/20/36	841,130.70	854,070.11			(101,771.82)		739,358.88	755,314.29	3,016.00	0.00
GNMA	2005 Single Family	4.49	11/28/06	10/20/36	213,058.15	216,338.57			(890.60)		212,167.55	216,749.02	1,301.05	0.00
GNMA	2005 Single Family	4.49	12/12/06	10/20/36	244,332.99	248,098.41			(1,020.66)		243,312.33	248,569.81	1,492.06	0.00
GNMA	2005 Single Family	4.49	01/16/07	12/20/36	241,263.28	244,991.09			(996.18)		240,267.10	245,468.47	1,473.56	0.00
GNMA	2005 Single Family	4.49	01/30/07	12/20/36	127,933.35	128,701.50			(533.41)		127,399.94	128,958.01	789.92	0.00
GNMA	2005 Single Family	4.49	02/13/07	01/20/37	306,314.84	311,492.19			(1,296.84)		305,018.00	311,794.33	1,598.98	0.00
GNMA	2005 Single Family	4.49	02/20/07	02/20/37	222,785.34	226,558.34			(1,033.91)		221,751.43	226,686.50	1,162.07	0.00
GNMA	2005 Single Family	4.49	03/20/07	01/20/37	218,312.08	221,750.34			(890.85)		217,421.23	221,966.57	1,107.08	0.00
GNMA	2005 Single Family	4.49	04/24/07	03/20/37	513,669.27	521,779.23			(2,117.53)		511,551.74	522,266.14	2,604.44	0.00
GNMA	2005 Single Family	4.49	04/10/07	02/20/37	264,248.87	268,416.85			(1,077.25)		263,171.62	268,679.65	1,340.05	0.00
GNMA	2005 Single Family	4.49	05/22/07	04/20/37	377,927.58	382,836.29			(1,517.65)		376,409.93	382,890.03	1,571.39	0.00
GNMA	2005 Single Family	4.49	06/05/07	05/20/37	317,864.14	322,897.71			(1,272.31)		316,591.83	323,237.86	1,612.46	0.00
GNMA	2005 Single Family	4.49	07/03/07	06/20/37	257,454.79	261,539.39			(1,019.38)		256,435.41	261,826.54	1,306.53	0.00
GNMA	2005 Single Family	4.49	11/21/07	09/20/37	233,320.15	237,171.72			(903.84)		232,416.31	237,451.29	1,183.41	0.00
GNMA	2005 Single Family	4.49	09/25/07	04/20/37	114,236.99	116,114.77			(676.03)		113,560.96	116,013.00	574.26	0.00
GNMA	2005 Single Family	4.49	12/11/07	08/20/37	136,267.51	138,519.76			(530.70)		135,736.81	138,680.02	690.96	0.00
GNMA	2005 Single Family	4.49	01/30/08	01/20/38	394,115.21	400,206.55			(1,492.97)		392,622.24	400,917.65	2,204.07	0.00
GNMA	2005 Single Family	4.49	01/30/08	01/20/38	119,083.82	120,584.62			(454.44)		118,629.38	120,685.80	555.62	0.00
GNMA	2005 Single Family	4.49	03/26/08	03/20/38	362,801.68	368,432.17			(1,609.62)		361,192.06	368,846.55	2,024.00	0.00
FNMA	2005 Single Family	4.49	10/20/05	10/01/35	154,855.94	156,050.38			(712.27)		154,143.67	156,259.66	921.55	0.00
FNMA	2005 Single Family	4.49	11/10/05	11/01/35	113,270.01	114,144.82			(849.66)		112,420.35	113,964.70	669.54	0.00
FNMA	2005 Single Family	4.49	12/15/05	12/01/35	155,967.96	157,175.10			(690.12)		155,277.84	157,413.52	928.54	0.00
FNMA	2005 Single Family	4.49	01/05/06	12/01/35	334,731.35	337,325.05			(1,913.15)		332,818.20	337,398.42	1,986.52	0.00
FNMA	2005 Single Family	4.49	02/09/06	02/01/36	202,475.80	203,972.93			(1,083.28)		201,392.52	204,082.78	1,193.13	0.00
FNMA	2005 Single Family	4.49	02/23/06	01/01/36	236,399.96	238,146.92			(1,071.48)		235,328.48	238,473.08	1,395.64	0.00
FNMA	2005 Single Family	4.49	03/16/06	03/01/36	369,257.60	371,993.92			(2,714.60)		366,543.00	371,445.01	2,165.69	0.00
FNMA	2005 Single Family	4.49	04/06/06	03/01/36	258,114.45	260,029.27			(1,124.94)		256,989.51	260,426.76	1,524.43	0.00
FNMA	2005 Single Family	4.49	04/20/06	04/01/36	363,796.27	366,497.65			(1,652.88)		362,143.39	366,992.47	2,147.70	0.00
FNMA	2005 Single Family	4.49	05/11/06	04/01/36	283,938.59	286,049.60			(1,848.46)		282,090.13	285,869.92	1,668.78	0.00
FNMA	2005 Single Family	4.49	06/08/06	04/01/36	267,908.78	269,903.84			(1,182.25)		266,726.53	270,303.41	1,581.82	0.00
FNMA	2005 Single Family	4.49	06/27/06	06/01/36	276,410.37	278,471.55			(1,189.01)		275,221.36	278,915.25	1,632.71	0.00
FNMA	2005 Single Family	4.49	07/13/06	06/01/36	340,322.75	342,862.93			(1,565.19)		338,757.56	343,306.62	2,008.88	0.00
FNMA	2005 Single Family	4.49	07/19/06	07/01/36	518,528.77	522,401.17			(2,281.70)		516,247.07	523,181.16	3,061.69	0.00
FNMA	2005 Single Family	4.49	08/02/06	07/01/36	467,834.96	471,331.13			(2,014.85)		465,820.11	472,079.70	2,763.42	0.00
FNMA	2005 Single Family	4.49	08/09/06	07/01/36	351,040.80	353,665.26			(1,555.18)		349,485.62	354,183.03	2,072.95	0.00
FNMA	2005 Single Family	4.49	09/12/06	08/01/36	271,062.61	273,113.64			(1,168.24)		269,914.37	273,546.64	1,601.24	0.00
FNMA	2005 Single Family	4.49	10/17/06	09/01/36	250,211.52	252,090.24			(1,909.60)		248,301.92	251,647.14	1,466.50	0.00
FNMA	2005 Single Family	4.49	11/14/06	10/01/36	384,782.66	387,676.87			(1,613.32)		383,169.34	388,336.61	2,273.06	0.00
FNMA	2005 Single Family	4.49	11/21/06	10/01/36	269,323.09	271,349.68			(1,232.14)		268,090.95	271,707.17	1,589.63	0.00
FNMA	2005 Single Family	4.49	12/12/06	11/01/36	360,789.31	363,507.48			(59,078.73)		301,710.58	305,783.37	1,354.62	0.00
FNMA	2005 Single Family	4.49	01/30/07	11/01/36	53,690.49	54,096.11			(1,240.43)		52,450.06	53,159.19	303.51	0.00
FNMA	2005 Single Family	4.49	02/13/07	01/01/37	56,585.69	57,094.62			(236.40)		56,349.29	57,141.67	283.45	0.00
FNMA	2005 Single Family	4.49	03/20/07	02/01/37	158,705.52	160,055.12			(663.80)		158,041.72	160,176.02	784.70	0.00
FNMA	2005 Single Family	4.49	04/10/07	01/01/37	214,066.30	215,888.41			(891.59)		213,174.71	216,055.29	1,058.47	0.00
FNMA	2005 Single Family	4.49	04/24/07	04/01/37	363,616.32	366,714.67			(1,477.70)		362,138.62	367,035.38	1,798.41	0.00
FNMA	2005 Single Family	4.49	05/22/07	04/01/37	220,436.64	222,317.67			(891.49)		219,545.15	222,516.51	1,090.33	0.00
FNMA	2005 Single Family	4.49	06/05/07	05/01/37	259,188.87	261,402.40			(1,046.09)		258,142.78	261,638.35	1,282.04	0.00
FNMA	2005 Single Family	4.49	07/03/07	06/01/37	675,877.22	681,658.26			(2,746.45)		673,130.77	682,254.69	3,342.88	0.00
FNMA	2005 Single Family	4.49	09/25/07	09/01/37	353,189.59	357,936.81			(1,390.76)		351,798.83	358,279.62	1,733.57	0.00
FNMA	2005 Single Family	4.49	11/08/07	09/01/37	346,754.62	353,158.34			(1,499.98)		345,254.64	353,402.88	1,744.52	0.00
FNMA	2005 Single Family	4.49	11/21/07	09/01/37	142,187.66	144,815.11			(553.25)		141,634.41	144,978.66	716.80	0.00
FNMA	2005 Single Family	4.49	12/11/07	11/01/37	317,805.84	323,685.06			(1,397.35)		316,408.49	323,886.07	1,598.36	0.00
FNMA	2005 Single Family	4.49	03/26/08	02/01/38	596,015.51	606,475.00			(2,659.05)		593,356.46	607,354.67	3,538.72	0.00
	2005 Single Family Total				93,635,974.64	94,793,393.69	2,192,118.80	(4,315,077.51)	(1,978,466.10)	0.00	89,534,549.83	91,157,066.62	465,097.74	0.00
	Total Single Family Investment Summary				1,144,706,797.61	1,170,435,627.96	36,210,598.21	(59,262,865.03)	(19,387,873.68)	0.00	1,102,246,657.11	1,138,129,625.30	10,154,137.84	0.00

Texas Department of Housing and Community Affairs
Residential Mortgage Revenue Bonds Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	1989 A&B RMRB	0.18	05/29/09	06/01/09	2,720.92	2,720.92	1.28				2,722.20	2,722.20	-	0.00
	1989 A&B RMRB Total				2,720.92	2,720.92	1.28	0.00	0.00	0.00	2,722.20	2,722.20	0.00	0.00
Repo Agmt	1998 A/B RMRB	0.18	05/29/09	06/01/09	19.35	19.35		(10.25)			9.10	9.10	-	0.00
GICs	1998 A/B RMRB	5.04	12/03/98	01/01/31	3,518,246.67	3,518,246.67	1,883,775.46				5,402,022.13	5,402,022.13	-	0.00
GICs	1998 A/B RMRB	5.04	12/03/98	01/01/31	1,536,431.34	1,536,431.34	0.00				1,536,431.34	1,536,431.34	-	0.00
GNMA	1998 A/B RMRB	5.35	07/28/00	07/20/30	968,679.61	994,000.88			(6,795.78)		961,883.83	999,897.45	12,692.35	0.00
GNMA	1998 A/B RMRB	5.35	08/28/00	07/20/30	2,096,589.53	2,151,394.38			(15,013.30)		2,081,576.23	2,163,840.09	27,459.01	0.00
FNMA	1998 A/B RMRB	5.35	05/25/99	04/01/29	103,653.77	106,920.94			(818.01)		102,835.76	106,989.30	886.37	0.00
GNMA	1998 A/B RMRB	5.35	04/16/99	04/20/29	771,767.68	793,338.54			(6,362.54)		765,405.14	796,120.80	9,144.80	0.00
FNMA	1998 A/B RMRB	5.35	06/22/99	05/01/29	100,117.13	103,272.76			(716.18)		99,400.95	103,415.69	859.11	0.00
GNMA	1998 A/B RMRB	5.35	05/25/99	05/20/29	2,412,181.92	2,479,602.36			(19,936.48)		2,392,245.44	2,488,246.15	28,580.27	0.00
GNMA	1998 A/B RMRB	5.35	06/22/99	06/20/29	3,316,515.72	3,409,212.22			(179,935.18)		3,136,580.54	3,262,451.41	33,174.37	0.00
FNMA	1998 A/B RMRB	5.35	07/30/99	07/01/29	69,659.74	71,855.39			(504.83)		69,154.91	71,948.05	597.49	0.00
FNMA	1998 A/B RMRB	5.35	08/24/99	08/01/29	131,711.13	135,862.66			(967.92)		130,723.21	136,003.11	1,128.37	0.00
GNMA	1998 A/B RMRB	5.35	07/30/99	07/20/29	3,001,069.40	3,084,949.18			(178,792.25)		2,822,277.15	2,935,535.09	29,378.16	0.00
GNMA	1998 A/B RMRB	5.35	08/26/99	08/20/29	1,959,915.20	2,014,694.84			(126,908.35)		1,833,006.85	1,906,565.46	18,778.97	0.00
FNMA	1998 A/B RMRB	5.35	09/30/99	08/01/29	171,749.59	177,163.13			(1,127.66)		170,621.93	177,513.34	1,477.87	0.00
GNMA	1998 A/B RMRB	5.35	09/20/99	09/20/29	1,793,652.04	1,843,784.61			(14,184.81)		1,779,467.23	1,850,877.21	21,277.41	0.00
FNMA	1998 A/B RMRB	5.35	10/29/99	10/01/29	309,024.77	318,765.27			(70,967.48)		238,057.29	247,672.47	(125.32)	0.00
FNMA	1998 A/B RMRB	5.35	11/16/99	10/01/29	197,040.25	203,250.95			(3,100.00)		193,940.25	201,773.49	1,622.54	0.00
FNMA	1998 A/B RMRB	5.35	12/21/99	11/01/29	374,639.29	386,447.88			(8,480.07)		366,159.22	380,948.35	2,980.54	0.00
GNMA	1998 A/B RMRB	5.35	10/29/99	10/20/29	2,369,351.74	2,435,575.08			(21,123.32)		2,348,228.42	2,442,462.81	28,011.05	0.00
GNMA	1998 A/B RMRB	5.35	11/18/99	11/20/29	2,622,743.12	2,696,048.79			(70,536.58)		2,552,206.54	2,654,626.59	29,114.38	0.00
GNMA	1998 A/B RMRB	5.35	12/30/99	12/20/29	4,190,752.42	4,307,883.60			(43,218.74)		4,147,533.68	4,313,974.11	49,309.05	0.00
GNMA	1998 A/B RMRB	5.35	01/28/00	01/20/30	1,966,450.23	2,017,853.14			(16,734.77)		1,949,715.46	2,026,768.12	25,649.75	0.00
GNMA	1998 A/B RMRB	5.35	02/22/00	01/20/30	2,462,654.59	2,527,028.33			(142,243.70)		2,320,410.89	2,412,113.49	27,328.86	0.00
GNMA	1998 A/B RMRB	5.35	03/27/00	03/20/30	1,474,306.94	1,512,845.28			(11,449.68)		1,462,857.26	1,520,669.33	19,273.73	0.00
FNMA	1998 A/B RMRB	5.35	02/23/00	01/01/30	368,779.35	380,403.23			(3,714.49)		365,064.86	379,809.78	3,121.04	0.00
FNMA	1998 A/B RMRB	5.35	03/27/00	02/01/30	243,857.59	251,114.79			(5,011.00)		238,846.59	248,125.77	2,021.98	0.00
FNMA	1998 A/B RMRB	5.35	04/21/00	04/01/30	291,981.04	300,670.39			(2,455.77)		289,525.27	300,773.32	2,558.70	0.00
GNMA	1998 A/B RMRB	5.35	04/24/00	04/20/30	1,690,635.27	1,734,828.52			(12,993.44)		1,677,641.83	1,743,942.28	22,107.20	0.00
GNMA	1998 A/B RMRB	5.35	05/30/00	05/20/30	1,408,908.20	1,445,737.00			(11,956.31)		1,396,951.89	1,452,159.38	18,378.69	0.00
GNMA	1998 A/B RMRB	5.35	06/21/00	06/20/30	1,156,493.91	1,186,724.68			(9,323.23)		1,147,170.68	1,192,506.88	15,105.43	0.00
FNMA	1998 A/B RMRB	5.35	05/30/00	05/01/30	316,433.42	325,850.46			(7,234.67)		309,198.75	321,211.12	2,595.33	0.00
FNMA	1998 A/B RMRB	5.35	06/21/00	06/01/30	178,114.71	183,415.40			(2,246.75)		175,867.96	182,700.42	1,531.77	0.00
GNMA	1998 A/B RMRB	5.35	10/23/00	09/20/30	1,521,688.03	1,561,464.92			(10,571.25)		1,511,116.78	1,570,836.09	19,942.42	0.00
GNMA	1998 A/B RMRB	5.35	10/25/00	10/20/30	421,220.45	432,231.14			(7,264.60)		413,955.85	430,315.38	5,348.84	0.00
FNMA	1998 A/B RMRB	5.35	07/24/00	06/01/30	375,057.97	386,219.69			(4,159.19)		370,898.78	385,308.19	3,247.69	0.00
FNMA	1998 A/B RMRB	5.35	08/25/00	07/01/30	187,578.84	193,161.18			(2,457.01)		185,121.83	192,313.81	1,609.64	0.00
GNMA	1998 A/B RMRB	5.35	01/08/01	12/20/30	288,952.63	296,505.84			(6,142.08)		282,810.55	293,987.21	3,623.45	0.00
GNMA	1998 A/B RMRB	5.35	01/16/01	12/20/30	185,855.14	190,713.38			(2,401.28)		183,453.86	190,703.95	2,391.85	0.00
GNMA	1998 A/B RMRB	5.35	01/31/01	08/20/30	57,965.60	59,480.78			(343.76)		57,621.84	59,899.01	761.99	0.00
GNMA	1998 A/B RMRB	5.35	11/16/00	11/20/30	291,351.26	298,967.17			(4,427.85)		286,923.41	298,262.60	3,723.28	0.00
GNMA	1998 A/B RMRB	5.35	11/29/00	11/20/30	624,865.69	641,199.64			(6,253.35)		618,612.34	643,059.86	8,113.57	0.00
GNMA	1998 A/B RMRB	5.35	12/21/00	11/20/30	128,113.44	131,462.32			(765.84)		127,347.60	132,380.37	1,683.89	0.00
GNMA	1998 A/B RMRB	5.35	12/27/00	12/20/30	281,406.62	288,762.58			(1,651.80)		279,754.82	290,810.72	3,699.94	0.00
FNMA	1998 A/B RMRB	5.35	10/06/00	09/01/30	396,387.19	408,183.62			(4,371.33)		392,015.86	407,245.63	3,433.34	0.00
FNMA	1998 A/B RMRB	5.35	01/12/01	12/01/30	372,924.29	384,022.48			(2,998.86)		369,925.43	384,296.99	3,273.37	0.00
Repo Agmt	1998 A/B RMRB	0.18	05/29/09	06/01/09	1,374,556.21	1,374,556.21	978.09				1,375,534.30	1,375,534.30	-	0.00
GNMA	1998 A/B RMRB	5.49	01/12/06	01/20/36	26,365.07	27,303.00			(97.42)		26,267.65	27,496.10	290.52	0.00
GNMA	1998 A/B RMRB	5.49	03/09/06	03/20/36	32,169.12	33,315.19			(127.25)		32,041.87	33,542.03	354.09	0.00
GNMA	1998 A/B RMRB	5.49	03/02/06	03/20/36	18,490.48	19,149.10			(68.09)		18,422.39	19,284.77	203.76	0.00
GNMA	1998 A/B RMRB	5.49	02/23/06	02/20/36	34,725.22	35,961.90			(206.74)		34,518.48	36,134.13	378.97	0.00
GNMA	1998 A/B RMRB	5.49	03/16/06	03/20/36	28,822.98	29,849.98			(129.64)		28,693.34	30,036.89	316.55	0.00
GNMA	1998 A/B RMRB	5.49	03/30/06	03/20/36	29,600.89	30,600.14			(114.17)		29,486.72	30,811.26	325.29	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	1998 A/B RMRB	5.49	04/06/06	04/20/36	35,873.38	37,152.38			(147.81)		35,725.57	37,399.17	394.60	0.00
FNMA	1998 A/B RMRB	5.49	04/27/06	03/01/36	16,555.54	17,051.47			(61.05)		16,494.49	17,147.44	157.02	0.00
	1998 A/B RMRB Total				50,304,652.70	51,512,506.35	1,884,753.55	(10.25)	(1,049,633.66)	0.00	51,139,762.34	52,846,909.33	499,293.34	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	253,132.92	253,132.92	121.75				253,254.67	253,254.67	-	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	583,103.50	583,103.50	260.26				583,363.76	583,363.76	-	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	1,759,109.55	1,759,109.55	1,840,428.02				3,599,537.57	3,599,537.57	-	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	1,228.19	1,228.19	0.00				1,228.19	1,228.19	-	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	32,387.04	32,387.04	164,682.89				197,069.93	197,069.93	-	0.00
GNMA	2000 BCDE RMRB	6.10	02/22/01	02/20/31	655,833.10	688,574.74			(3,669.46)		652,163.64	688,490.37	13,585.09	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	02/20/31	174,976.94	183,712.03			(1,123.24)		173,853.70	186,202.86	3,614.07	0.00
GNMA	2000 BCDE RMRB	6.10	02/14/01	01/20/31	112,797.76	118,428.33			(584.08)		112,213.68	120,183.98	2,339.73	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	109,190.53	114,642.31			(557.82)		108,632.71	116,349.95	2,265.46	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	1,203,001.57	1,263,066.27			(13,534.94)		1,189,466.63	1,273,966.06	24,434.73	0.00
GNMA	2000 BCDE RMRB	6.10	03/07/01	02/20/31	91,542.75	96,113.39			(511.92)		91,030.83	97,497.63	1,896.16	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	225,500.96	236,761.16			(1,299.93)		224,201.03	240,129.39	4,668.16	0.00
GNMA	2000 BCDE RMRB	6.10	03/15/01	03/20/31	657,623.85	690,461.79			(3,814.69)		653,809.16	700,259.08	13,611.98	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	25,984.31	27,281.96			(135.05)		25,849.26	27,685.86	538.95	0.00
GNMA	2000 BCDE RMRB	6.10	03/29/01	03/20/31	243,887.20	256,066.85			(1,790.58)		242,096.62	259,297.73	5,021.46	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	03/20/31	174,887.59	183,622.53			(962.00)		173,925.59	186,284.23	3,623.70	0.00
GNMA	2000 BCDE RMRB	6.10	04/16/01	04/20/31	501,205.93	526,240.69			(3,594.20)		497,611.73	532,972.11	10,325.62	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	409,378.90	429,829.06			(76,600.05)		332,778.85	356,427.89	3,198.88	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	738,110.41	774,982.23			(70,652.52)		667,457.89	714,891.17	10,561.46	0.00
GNMA	2000 BCDE RMRB	6.10	04/30/01	04/20/31	92,690.35	97,320.64			(492.36)		92,197.99	98,750.10	1,921.82	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	161,384.16	169,447.00			(991.16)		160,393.00	171,792.43	3,336.59	0.00
GNMA	2000 BCDE RMRB	6.10	05/10/01	05/20/31	383,960.75	403,143.70			(2,145.64)		381,815.11	408,951.50	7,953.44	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	107,087.71	112,437.98			(749.88)		106,337.83	113,895.58	2,207.48	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	04/20/31	1,070,593.17	1,124,081.79			(7,022.13)		1,063,571.04	1,139,162.28	22,102.62	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/01	05/20/31	110,793.00	116,328.75			(586.14)		110,226.86	118,061.37	2,298.76	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	45,352.35	47,618.52			(239.98)		45,112.37	48,318.93	940.39	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	272,484.05	286,099.49			(1,685.25)		270,798.80	290,047.00	5,632.76	0.00
GNMA	2000 BCDE RMRB	6.10	05/30/01	05/20/31	46,091.84	48,394.95			(233.64)		45,858.20	49,117.78	956.47	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	127,413.14	133,780.48			(755.67)		126,657.47	135,660.99	2,636.18	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	1,126,883.98	1,183,199.23			(7,977.32)		1,118,906.66	1,198,445.21	23,223.30	0.00
GNMA	2000 BCDE RMRB	6.10	06/18/01	05/20/31	41,525.39	43,600.59			(223.24)		41,302.15	44,238.15	860.80	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	237,115.62	248,967.05			(1,763.19)		235,352.43	252,084.46	4,880.60	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	861,160.94	904,203.21			(5,251.21)		855,909.73	916,759.31	17,807.31	0.00
GNMA	2000 BCDE RMRB	6.10	06/29/01	06/20/31	249,818.83	262,305.20			(1,724.64)		248,094.19	265,732.08	5,151.52	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	210,029.06	220,528.48			(1,351.59)		208,677.47	223,514.92	4,338.03	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	07/20/31	595,928.49	625,720.88			(205,982.64)		389,945.85	417,673.47	(2,064.77)	0.00
GNMA	2000 BCDE RMRB	6.10	07/25/01	06/20/31	130,758.47	137,295.10			(1,949.75)		128,808.72	137,967.29	2,621.94	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	138,916.98	145,862.61			(800.51)		138,116.47	147,938.01	2,875.91	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	08/20/31	892,036.90	936,640.27			(7,955.07)		884,081.83	946,953.27	18,268.07	0.00
GNMA	2000 BCDE RMRB	6.10	08/08/01	07/20/31	166,767.49	175,105.62			(1,685.36)		165,082.13	176,821.22	3,400.96	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	267,143.83	280,503.72			(1,449.53)		265,694.30	284,591.13	5,536.94	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	744,561.20	781,796.79			(6,633.32)		737,927.88	790,411.14	15,247.67	0.00
GNMA	2000 BCDE RMRB	6.10	08/31/01	08/20/31	110,766.89	116,306.36			(1,176.20)		109,590.69	117,385.05	2,254.89	0.00
FNMA	2000 BCDE RMRB	6.10	02/14/01	02/01/31	246,755.99	258,254.33			(3,778.21)		242,977.78	258,963.80	4,487.68	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	221,397.10	232,477.59			(1,170.23)		220,226.87	235,898.46	4,591.10	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	10/20/31	254,546.45	267,286.00			(10,261.20)		244,285.25	261,668.87	4,644.07	0.00
GNMA	2000 BCDE RMRB	6.10	11/29/01	11/20/31	194,430.54	204,162.03			(51,668.81)		142,761.73	152,921.29	428.07	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	249,875.81	262,374.24			(1,258.31)		248,617.50	266,301.93	5,186.00	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	09/20/31	575,675.63	604,471.88			(3,300.71)		572,374.92	613,090.39	11,919.22	0.00
GNMA	2000 BCDE RMRB	6.10	09/25/01	08/20/31	177,210.20	186,074.00			(6,478.68)		170,731.52	182,875.83	3,280.51	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	63,664.62	66,849.77			(1,117.59)		62,547.03	66,996.80	1,264.62	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	659,452.86	692,445.34			(4,340.95)		655,111.91	701,718.44	13,614.05	0.00
GNMA	2000 BCDE RMRB	6.10	10/17/01	09/20/31	190,363.11	199,887.01			(1,245.18)		189,117.93	202,572.33	3,930.50	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	08/20/31	91,118.71	95,677.96			(441.49)		90,677.22	97,128.84	1,892.37	0.00
GNMA	2000 BCDE RMRB	6.10	11/15/01	10/20/31	198,755.60	208,701.89			(992.14)		197,763.46	211,835.48	4,125.73	0.00
FNMA	2000 BCDE RMRB	6.10	03/15/01	02/01/31	97,157.18	101,685.42			(498.88)		96,658.30	103,018.57	1,832.03	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	01/22/02	12/20/31	195,038.36	204,804.58			(1,034.27)		194,004.09	207,814.66	4,044.35	0.00
FNMA	2000 BCDE RMRB	6.10	05/10/01	04/01/31	297,704.86	311,587.93			(7,124.97)		290,579.89	309,708.31	5,245.35	0.00
GNMA	2000 BCDE RMRB	6.10	02/25/02	02/20/32	306,174.90	321,521.11			(2,986.14)		303,188.76	324,333.44	5,798.47	0.00
FNMA	2000 BCDE RMRB	6.10	05/30/01	04/01/31	145,464.42	152,248.87			(73,580.32)		71,884.10	76,616.58	(2,051.97)	0.00
FNMA	2000 BCDE RMRB	6.10	07/12/01	05/01/31	267,619.83	280,106.39			(4,769.95)		262,849.88	280,159.34	4,822.90	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	412,814.36	433,520.80			(2,149.58)		410,664.78	439,320.37	7,949.15	0.00
GNMA	2000 BCDE RMRB	6.10	05/24/02	05/20/32	107,233.20	112,612.28			(513.38)		106,719.82	114,166.93	2,068.03	0.00
GNMA	2000 BCDE RMRB	6.10	03/21/02	02/20/32	142,195.83	149,324.23			(5,391.82)		136,804.01	146,346.05	2,413.64	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/02	04/20/32	251,768.69	264,394.02			(1,220.48)		250,548.21	268,027.86	4,854.32	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/02	04/20/32	335,218.06	352,029.50			(1,803.96)		333,414.10	356,676.39	6,450.85	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	05/20/32	73,542.08	77,230.87			(338.53)		73,203.55	78,311.56	1,419.22	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/02	02/20/32	42,968.82	45,123.70			(202.35)		42,766.47	45,750.24	828.89	0.00
GNMA	2000 BCDE RMRB	6.10	08/29/02	08/20/32	921,581.96	967,651.61			(112,796.71)		808,785.25	865,260.27	10,205.37	0.00
GNMA	2000 BCDE RMRB	6.10	06/03/02	05/20/32	421,385.76	442,524.86			(2,521.31)		418,864.45	448,094.93	8,091.38	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/02	06/20/32	427,013.78	448,437.90			(2,160.54)		424,853.24	454,504.39	8,227.03	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/02	06/20/32	503,217.29	528,466.31			(8,450.75)		494,766.54	529,298.66	9,283.10	0.00
GNMA	2000 BCDE RMRB	6.10	06/25/02	06/20/32	425,360.63	446,704.07			(102,873.24)		322,487.39	344,996.03	1,165.20	0.00
GNMA	2000 BCDE RMRB	6.10	07/05/02	06/20/32	641,889.71	674,099.97			(4,009.98)		637,879.73	682,403.76	12,313.77	0.00
GNMA	2000 BCDE RMRB	6.10	07/22/02	07/20/32	585,134.92	614,502.78			(3,007.31)		582,127.61	622,765.82	11,270.35	0.00
GNMA	2000 BCDE RMRB	6.10	07/29/02	07/20/32	85,034.71	89,302.79			(455.70)		84,579.01	90,483.63	1,636.54	0.00
GNMA	2000 BCDE RMRB	6.10	08/01/02	07/20/32	188,183.07	197,628.55			(874.53)		187,308.54	200,385.09	3,631.07	0.00
GNMA	2000 BCDE RMRB	6.10	08/12/02	08/20/32	1,246,058.26	1,308,610.92			(7,469.12)		1,238,589.14	1,325,068.05	23,926.25	0.00
GNMA	2000 BCDE RMRB	6.10	08/23/02	08/20/32	992,739.29	1,042,579.42			(5,228.92)		987,510.37	1,056,463.09	19,112.59	0.00
GNMA	2000 BCDE RMRB	6.10	11/12/02	10/20/32	441,460.43	463,639.16			(2,404.78)		439,055.65	469,728.20	8,493.82	0.00
GNMA	2000 BCDE RMRB	6.10	09/12/02	08/20/32	721,558.63	757,788.80			(3,972.43)		717,586.20	767,696.15	13,879.78	0.00
GNMA	2000 BCDE RMRB	6.10	09/19/02	09/20/32	279,860.98	293,914.88			(1,619.42)		278,241.56	297,673.36	5,377.90	0.00
GNMA	2000 BCDE RMRB	6.10	09/26/02	09/20/32	1,260,552.65	1,323,856.92			(7,734.78)		1,252,817.87	1,340,314.53	24,192.39	0.00
GNMA	2000 BCDE RMRB	6.10	10/10/02	10/20/32	887,197.35	931,759.34			(4,490.52)		882,706.83	944,362.48	17,093.66	0.00
GNMA	2000 BCDE RMRB	6.10	10/21/02	10/20/32	556,153.08	584,089.24			(2,856.45)		553,296.63	591,945.93	10,713.14	0.00
GNMA	2000 BCDE RMRB	6.10	10/29/02	11/20/32	400,097.69	420,197.54			(2,393.44)		397,704.25	425,487.12	7,683.02	0.00
FNMA	2000 BCDE RMRB	6.10	08/31/01	06/01/31	513,283.76	537,243.32			(3,690.48)		509,593.28	543,162.51	9,609.67	0.00
GNMA	2000 BCDE RMRB	6.10	11/05/02	10/20/32	220,600.34	231,682.68			(1,911.25)		218,689.09	233,966.26	4,194.83	0.00
GNMA	2000 BCDE RMRB	6.10	11/19/02	11/20/32	28,986.30	30,442.71			(340.73)		28,645.57	30,646.91	544.93	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	114,855.18	120,626.41			(1,136.42)		113,718.76	121,664.16	2,174.17	0.00
GNMA	2000 BCDE RMRB	6.10	11/26/02	11/20/32	150,573.62	158,139.63			(768.24)		149,805.38	160,272.11	2,900.72	0.00
GNMA	2000 BCDE RMRB	6.10	12/12/02	11/20/32	21,577.44	22,661.78			(844.29)		20,733.15	22,181.86	364.37	0.00
GNMA	2000 BCDE RMRB	6.10	12/19/02	06/20/32	61,854.02	64,961.60			(296.04)		61,557.98	65,858.50	1,192.94	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	09/20/32	75,656.50	79,458.56			(1,061.43)		74,595.07	79,807.35	1,410.22	0.00
GNMA	2000 BCDE RMRB	6.10	12/30/02	11/20/32	33,308.57	34,982.64			(159.06)		33,149.51	35,466.02	642.44	0.00
GNMA	2000 BCDE RMRB	6.10	01/07/03	12/20/32	114,155.71	119,893.84			(1,208.15)		112,947.56	120,841.14	2,155.45	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	14,209.18	14,893.59			(775.62)		13,433.56	14,303.33	185.36	0.00
GNMA	2000 BCDE RMRB	6.10	01/23/03	01/20/33	320,032.77	335,447.55			(1,582.36)		318,450.41	339,068.92	5,203.73	0.00
GNMA	2000 BCDE RMRB	6.10	02/12/03	02/20/33	165,122.73	173,077.82			(1,514.10)		163,608.63	174,203.45	2,639.73	0.00
FNMA	2000 BCDE RMRB	6.10	10/17/01	09/01/31	298,123.24	312,232.61			(4,066.99)		294,056.25	313,508.67	5,343.05	0.00
GNMA	2000 BCDE RMRB	6.10	02/20/03	02/20/33	246,539.73	258,417.74			(1,620.28)		244,919.45	260,780.24	3,982.78	0.00
GNMA	2000 BCDE RMRB	6.10	02/27/03	02/20/33	99,575.39	104,373.13			(426.61)		99,148.78	105,569.90	1,623.38	0.00
GNMA	2000 BCDE RMRB	6.10	03/24/03	03/20/33	183,664.63	192,516.09			(817.64)		182,846.99	194,690.76	2,992.31	0.00
GNMA	2000 BCDE RMRB	6.10	04/02/03	03/20/33	144,296.31	151,250.92			(619.30)		143,677.01	152,984.03	2,352.41	0.00
GNMA	2000 BCDE RMRB	6.10	04/17/03	04/20/33	140,566.49	147,342.52			(688.42)		139,878.07	148,940.20	2,286.10	0.00
GNMA	2000 BCDE RMRB	6.10	04/24/03	04/20/33	26,298.25	27,566.02			(113.67)		26,184.58	27,881.03	428.68	0.00
GNMA	2000 BCDE RMRB	6.10	04/29/03	04/20/33	323,758.77	339,366.98			(64,785.27)		258,973.50	275,752.45	1,170.74	0.00
GNMA	2000 BCDE RMRB	6.10	05/08/03	04/20/33	79,616.53	83,455.05			(521.63)		79,094.90	84,219.73	1,286.31	0.00
GNMA	2000 BCDE RMRB	6.10	05/15/03	04/20/33	69,634.66	72,992.14			(292.93)		69,341.73	73,834.84	1,135.63	0.00
GNMA	2000 BCDE RMRB	6.10	05/22/03	05/20/33	141,727.81	148,562.07			(623.76)		141,104.05	150,247.87	2,309.56	0.00
GNMA	2000 BCDE RMRB	6.10	05/29/03	04/20/33	59,369.43	62,232.28			(251.52)		59,117.91	62,948.86	968.10	0.00
GNMA	2000 BCDE RMRB	6.10	06/10/03	05/20/33	96,687.54	101,350.52			(437.32)		96,250.22	102,488.05	1,574.85	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	186,218.10	195,200.07			(1,220.06)		184,998.04	196,988.65	3,008.64	0.00
GNMA	2000 BCDE RMRB	6.10	06/19/03	06/20/33	58,416.28	61,233.91			(262.96)		58,153.32	61,922.52	951.57	0.00
GNMA	2000 BCDE RMRB	6.10	06/26/03	06/20/33	95,612.45	100,224.39			(396.78)		95,215.67	101,387.36	1,559.75	0.00
GNMA	2000 BCDE RMRB	6.10	07/03/03	07/20/33	70,050.81	73,430.13			(292.16)		69,758.65	74,280.64	1,142.67	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	6.10	07/10/03	07/20/33	464,314.91	486,715.38			(2,147.00)		462,167.91	492,128.19	7,559.81	0.00
GNMA	2000 BCDE RMRB	6.10	07/17/03	07/20/33	184,142.56	193,026.74			(819.43)		183,323.13	195,207.53	3,000.22	0.00
GNMA	2000 BCDE RMRB	6.10	07/24/03	07/20/33	47,386.98	49,673.37			(195.59)		47,191.39	50,250.85	773.07	0.00
GNMA	2000 BCDE RMRB	6.10	07/30/03	07/20/33	165,474.62	173,459.02			(1,167.49)		164,307.13	174,959.64	2,668.11	0.00
GNMA	2000 BCDE RMRB	6.10	08/07/03	08/20/33	164,715.91	172,664.56			(712.16)		164,003.75	174,637.48	2,685.08	0.00
GNMA	2000 BCDE RMRB	6.10	08/14/03	08/20/33	163,959.42	171,872.09			(676.12)		163,283.30	173,870.84	2,674.87	0.00
FNMA	2000 BCDE RMRB	6.10	12/27/01	10/01/31	216,072.34	226,170.14			(1,241.59)		214,830.75	228,994.55	4,066.00	0.00
GNMA	2000 BCDE RMRB	6.10	08/21/03	08/20/33	197,479.64	207,010.41			(948.27)		196,531.37	209,275.18	3,213.04	0.00
GNMA	2000 BCDE RMRB	6.10	08/28/03	08/20/33	329,058.85	344,940.93			(1,461.30)		327,597.55	348,841.23	5,361.60	0.00
GNMA	2000 BCDE RMRB	6.10	09/04/03	08/20/33	151,193.19	158,490.67			(842.20)		150,350.99	160,101.11	2,452.44	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	09/20/33	373,435.90	391,463.78			(6,661.57)		366,774.33	390,562.42	5,760.21	0.00
GNMA	2000 BCDE RMRB	6.10	09/18/03	08/20/33	78,739.15	82,540.09			(326.70)		78,412.45	83,497.84	1,284.45	0.00
GNMA	2000 BCDE RMRB	6.10	09/29/03	09/20/33	313,821.85	328,972.81			(1,405.90)		312,415.95	332,679.82	5,112.91	0.00
GNMA	2000 BCDE RMRB	6.10	10/09/03	09/20/33	183,459.77	192,317.76			(3,111.10)		180,348.67	192,047.00	2,840.34	0.00
GNMA	2000 BCDE RMRB	6.10	10/16/03	09/20/33	85,718.77	89,857.80			(349.80)		85,368.97	90,906.70	1,398.70	0.00
GNMA	2000 BCDE RMRB	5.40	10/23/03	10/20/33	226,346.90	232,925.73			(1,086.83)		225,260.07	234,525.17	2,686.27	0.00
GNMA	2000 BCDE RMRB	6.10	10/23/03	10/20/33	235,223.77	246,582.82			(1,489.39)		233,734.38	248,897.32	3,803.89	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	102,974.91	105,968.30			(463.60)		102,511.31	106,728.08	1,223.38	0.00
GNMA	2000 BCDE RMRB	6.10	10/30/03	08/20/33	56,239.84	58,955.57			(251.86)		55,987.98	59,619.95	916.24	0.00
GNMA	2000 BCDE RMRB	5.40	11/13/03	11/20/33	464,592.69	478,101.07			(2,263.52)		462,329.17	481,350.00	5,512.45	0.00
GNMA	2000 BCDE RMRB	6.10	11/13/03	11/20/33	131,943.64	138,316.65			(568.99)		131,374.65	139,898.66	2,151.00	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	478,698.71	492,618.69			(2,343.50)		476,355.21	495,954.55	5,679.36	0.00
GNMA	2000 BCDE RMRB	6.10	11/20/03	10/20/33	45,831.69	48,045.40			(197.02)		45,634.67	48,595.60	747.22	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	257,915.54	265,415.96			(1,635.43)		256,280.11	266,825.15	3,044.62	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	350,173.55	360,358.02			(1,710.26)		348,463.29	362,802.46	4,154.70	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	314,647.63	323,800.16			(3,000.25)		311,647.38	324,473.21	3,673.30	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	789,606.81	812,577.44			(7,018.54)		782,588.27	814,797.23	9,238.33	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	783,635.70	806,434.27			(4,017.69)		779,618.01	811,706.38	9,289.80	0.00
GNMA	2000 BCDE RMRB	5.40	01/08/04	01/20/34	125,129.57	128,678.05			(638.08)		124,491.49	129,540.22	1,500.25	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	1,002,898.41	1,031,341.34			(7,362.02)		995,536.39	1,035,912.50	11,933.18	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	235,494.55	241,734.37			(1,199.77)		234,294.78	243,353.32	2,818.72	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	47,683.33	49,035.90			(801.12)		46,882.21	48,783.85	549.07	0.00
GNMA	2000 BCDE RMRB	6.10	02/02/04	12/20/33	42,782.05	44,849.91			(203.90)		42,578.15	45,342.17	696.16	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	156,417.61	161,509.04			(727.77)		155,689.84	162,654.91	1,873.64	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	663,852.99	685,492.56			(2,962.50)		660,890.49	690,487.86	7,957.80	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	232,610.10	240,192.48			(1,293.31)		231,316.79	241,676.10	2,776.93	0.00
GNMA	2000 BCDE RMRB	5.75	04/08/04	04/20/34	157,583.17	162,713.38			(675.38)		156,907.79	163,928.19	1,890.19	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	201,187.87	207,738.26			(875.97)		200,311.90	209,274.90	2,412.61	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	63,766.05	65,842.30			(260.95)		63,505.10	66,346.77	765.42	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	248,740.51	256,340.45			(38,671.02)		210,069.49	219,470.23	1,300.80	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	128,400.33	132,582.06			(566.12)		127,834.21	133,555.51	1,539.57	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	289,783.93	299,222.48			(1,435.14)		288,348.79	301,254.65	3,467.31	0.00
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	437,560.39	451,813.51			(1,797.10)		435,763.29	455,268.46	5,252.05	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	238,255.50	246,016.95			(4,887.81)		233,367.69	243,813.93	2,684.79	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	338,636.89	349,670.12			(1,652.59)		336,984.30	352,070.51	4,052.98	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	364,551.09	376,429.46			(1,619.42)		362,931.67	379,180.33	4,370.29	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	94,308.91	97,382.08			(476.34)		93,832.57	98,033.77	1,128.03	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	371,139.32	383,234.24			(66,950.14)		304,189.18	317,809.77	1,525.67	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	101,400.68	104,708.36			(486.93)		100,913.75	105,435.43	1,214.00	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	101,591.85	104,906.07			(412.38)		101,179.47	105,713.36	1,219.67	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	91,280.60	94,258.82			(365.59)		90,915.01	94,989.33	1,096.10	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	92,932.15	95,964.37			(382.01)		92,550.14	96,697.85	1,115.49	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	223,608.94	230,905.83			(925.86)		222,683.08	232,663.72	2,683.75	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	137,329.64	141,811.69			(588.32)		136,741.32	142,870.73	1,647.36	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	458,068.53	473,001.11			(2,235.81)		455,832.72	476,247.74	5,482.44	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	511,745.55	528,429.50			(5,143.44)		506,602.11	529,292.44	6,006.38	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	368,145.36	380,148.45			(1,504.25)		366,641.11	383,063.49	4,419.29	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	401,947.04	415,054.27			(2,413.90)		399,533.14	417,430.88	4,790.51	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	376,473.84	388,751.18			(1,993.36)		374,480.48	391,257.13	4,499.31	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	232,695.87	239,937.02			(1,214.92)		231,480.95	241,500.79	2,778.69	0.00

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GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	73,858.63	76,267.72			(317.99)		73,540.64	76,835.63	885.90	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	13,316.50	13,751.44			(65.86)		13,250.64	13,844.94	159.36	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	182,827.09	188,799.77			(1,062.01)		181,765.08	189,918.41	2,180.65	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	56,152.69	57,985.55			(223.85)		55,928.84	58,436.04	674.34	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	51,052.05	52,718.69			(245.69)		50,806.36	53,084.18	611.18	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	60,119.47	62,082.21			(245.08)		59,874.39	62,558.86	721.73	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	58,796.33	60,716.45			(254.49)		58,541.84	61,167.21	705.25	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	289,203.59	298,652.02			(1,171.07)		288,032.52	300,953.55	3,472.60	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	50,725.37	52,360.98			(195.07)		50,530.30	52,776.52	610.61	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	134,366.56	138,703.65			(540.59)		133,825.97	139,779.48	1,616.42	0.00
FNMA	2000 BCDE RMRB	6.10	06/10/02	05/01/32	118,316.02	123,854.90			(658.09)		117,657.93	125,424.81	2,228.00	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	61,145.71	63,404.29			(227.14)		60,918.57	63,913.13	735.98	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	119,806.10	124,237.06			(451.15)		119,354.95	125,227.72	1,441.81	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	132,877.22	137,788.14			(689.90)		132,187.32	138,688.01	1,589.77	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	163,849.83	169,153.46			(601.57)		163,248.26	170,525.66	1,973.77	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	115,666.63	119,412.53			(831.09)		114,835.54	119,956.69	1,375.25	0.00
FNMA	2000 BCDE RMRB	6.10	07/29/02	07/01/32	266,268.71	278,436.06			(2,342.96)		263,925.75	281,023.22	4,928.12	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	154,127.41	159,102.73			(617.71)		153,509.70	160,339.47	1,854.45	0.00
FNMA	2000 BCDE RMRB	6.10	09/12/02	07/01/32	258,542.76	270,363.36			(1,362.40)		257,180.36	273,845.24	4,844.28	0.00
FNMA	2000 BCDE RMRB	6.10	10/29/02	10/01/32	125,906.60	131,666.23			(705.13)		125,201.47	133,317.55	2,356.45	0.00
FNMA	2000 BCDE RMRB	6.10	04/10/03	03/01/33	109,529.05	114,465.07			(641.63)		108,887.42	115,775.94	1,952.50	0.00
FNMA	2000 BCDE RMRB	6.10	07/03/03	05/01/33	171,193.33	178,914.59			(724.36)		170,468.97	181,259.67	3,069.44	0.00
FNMA	2000 BCDE RMRB	6.10	08/14/03	08/01/33	238,574.16	249,339.97			(1,035.19)		237,538.97	252,580.79	4,276.01	0.00
FNMA	2000 BCDE RMRB	6.10	09/04/03	08/01/33	175,748.72	183,680.98			(2,366.77)		173,381.95	184,362.59	3,048.38	0.00
FNMA	2000 BCDE RMRB	6.10	12/04/03	10/01/33	110,363.35	115,348.78			(1,164.20)		109,199.15	116,119.28	1,934.70	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	205,854.69	212,251.18			(1,245.46)		204,609.23	212,848.28	1,842.56	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	171,575.13	176,910.35			(1,053.71)		170,521.42	177,391.76	1,535.12	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	245,166.23	254,081.73			(1,537.56)		243,628.67	255,767.90	3,223.73	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	223,122.99	231,239.66			(1,060.54)		222,062.45	233,129.93	2,950.81	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	278,468.90	288,603.27			(1,546.49)		276,922.41	290,728.45	3,671.67	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	168,477.05	174,611.11			(1,042.94)		167,434.11	175,784.25	2,216.08	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	71,042.12	73,629.66			(304.74)		70,737.38	74,266.12	941.20	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	43,675.18	45,266.91			(191.76)		43,483.42	45,653.57	578.42	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	224,565.34	232,476.92			(936.92)		223,628.42	234,270.78	2,730.78	0.00
FNMA	2000 BCDE RMRB	5.75	06/26/05	04/01/35	61,587.29	63,760.71			(233.60)		61,353.69	64,277.18	750.07	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	132,027.89	136,694.96			(2,919.66)		129,108.23	135,267.90	1,492.60	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	145,712.68	150,868.51			(531.62)		145,181.06	152,112.61	1,775.72	0.00
Repo Agmt	2000 BCDE RMRB	0.18	05/29/09	06/01/09	1,956.39	1,956.39	0.93				1,957.32	1,957.32	-	0.00
GNMA	2000 BCDE RMRB	5.40	10/30/03	10/20/33	18,821.48	19,368.63			(90.37)		18,731.11	19,501.63	223.37	0.00
GNMA	2000 BCDE RMRB	5.40	10/20/03	10/20/33	8,562.84	8,811.65			(38.54)		8,524.30	8,874.63	101.72	0.00
GNMA	2000 BCDE RMRB	5.40	11/19/03	10/20/33	38,632.58	39,755.88			(188.22)		38,444.36	40,026.04	458.38	0.00
GNMA	2000 BCDE RMRB	5.40	11/20/03	11/20/33	39,805.57	40,963.07			(194.86)		39,610.71	41,240.46	472.25	0.00
GNMA	2000 BCDE RMRB	5.40	11/26/03	11/20/33	21,446.61	22,070.32			(135.99)		21,310.62	22,187.50	253.17	0.00
GNMA	2000 BCDE RMRB	5.40	12/04/03	11/20/33	29,118.19	29,965.10			(142.21)		28,975.98	30,168.37	345.48	0.00
GNMA	2000 BCDE RMRB	5.40	12/11/03	12/20/33	26,164.12	26,925.18			(249.48)		25,914.64	26,981.14	305.44	0.00
GNMA	2000 BCDE RMRB	5.40	12/18/03	12/20/33	65,658.70	67,568.83			(583.62)		65,075.08	67,753.41	768.20	0.00
GNMA	2000 BCDE RMRB	5.40	12/23/03	12/20/33	65,162.22	67,058.00			(334.09)		64,828.13	67,496.39	772.48	0.00
GNMA	2000 BCDE RMRB	5.40	01/01/04	01/20/34	10,404.96	10,700.06			(53.06)		10,351.90	10,771.75	124.75	0.00
GNMA	2000 BCDE RMRB	5.40	01/15/04	01/20/34	83,394.71	85,759.85			(612.18)		82,782.53	86,139.96	992.29	0.00
GNMA	2000 BCDE RMRB	5.40	01/22/04	01/20/34	19,582.28	20,101.10			(99.77)		19,482.51	20,235.73	234.40	0.00
GNMA	2000 BCDE RMRB	5.40	01/29/04	01/20/34	3,965.04	4,077.51			(66.60)		3,898.44	4,056.55	45.64	0.00
GNMA	2000 BCDE RMRB	5.75	03/30/04	03/20/34	6,053.70	6,250.73			(28.16)		6,025.54	6,295.08	72.51	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	25,692.49	26,529.96			(114.66)		25,577.83	26,723.28	307.98	0.00
GNMA	2000 BCDE RMRB	5.75	07/08/04	07/20/34	9,002.48	9,295.94			(50.06)		8,952.42	9,353.36	107.48	0.00
GNMA	2000 BCDE RMRB	4.75	04/08/04	04/20/34	6,098.79	6,297.33			(26.14)		6,072.65	6,344.35	73.16	0.00
GNMA	2000 BCDE RMRB	5.75	04/15/04	04/20/34	7,766.36	8,039.89			(33.90)		7,752.46	8,099.36	93.37	0.00
GNMA	2000 BCDE RMRB	5.75	04/22/04	04/20/34	2,467.86	2,548.23			(10.10)		2,457.76	2,567.75	29.62	0.00
GNMA	2000 BCDE RMRB	5.75	04/29/04	04/20/34	9,626.81	9,940.25			(1,496.65)		8,130.16	8,493.94	50.34	0.00
GNMA	2000 BCDE RMRB	5.75	05/06/04	05/20/34	4,969.32	5,131.19			(21.92)		4,947.40	5,168.87	59.60	0.00
GNMA	2000 BCDE RMRB	5.75	05/13/04	05/20/34	11,215.25	11,580.52			(55.54)		11,159.71	11,659.17	134.19	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2000 BCDE RMRB	5.75	05/20/04	05/20/34	16,934.50	17,486.10			(69.55)		16,864.95	17,619.81	203.26	0.00
GNMA	2000 BCDE RMRB	5.75	05/27/04	05/20/34	9,220.98	9,521.35			(189.17)		9,031.81	9,436.09	103.91	0.00
GNMA	2000 BCDE RMRB	5.75	06/03/04	06/20/34	13,105.92	13,532.94			(63.96)		13,041.96	13,625.84	156.86	0.00
GNMA	2000 BCDE RMRB	5.75	06/10/04	06/20/34	14,108.89	14,568.58			(62.68)		14,046.21	14,675.04	169.14	0.00
GNMA	2000 BCDE RMRB	5.75	06/17/04	06/20/34	3,649.96	3,768.88			(18.43)		3,631.53	3,794.10	43.65	0.00
GNMA	2000 BCDE RMRB	5.75	06/24/04	06/20/34	14,363.87	14,831.94			(2,591.11)		11,772.76	12,299.88	59.05	0.00
GNMA	2000 BCDE RMRB	5.75	09/02/04	08/20/34	3,924.42	4,052.42			(18.84)		3,905.58	4,080.56	46.98	0.00
GNMA	2000 BCDE RMRB	5.75	09/09/04	08/20/34	3,931.82	4,060.07			(15.96)		3,915.86	4,091.32	47.21	0.00
GNMA	2000 BCDE RMRB	5.75	09/16/04	09/20/34	3,532.76	3,648.01			(14.15)		3,518.61	3,676.28	42.42	0.00
GNMA	2000 BCDE RMRB	5.75	09/23/04	08/20/34	3,596.69	3,714.01			(14.78)		3,581.91	3,742.40	43.17	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/04	09/20/34	8,654.13	8,936.52			(35.83)		8,618.30	9,004.55	103.86	0.00
GNMA	2000 BCDE RMRB	5.75	10/07/04	10/20/34	5,314.93	5,488.40			(22.77)		5,292.16	5,529.39	63.76	0.00
GNMA	2000 BCDE RMRB	5.75	07/15/04	07/20/34	17,728.18	18,306.10			(86.52)		17,641.66	18,431.75	212.17	0.00
GNMA	2000 BCDE RMRB	5.75	07/22/04	07/20/34	19,805.58	20,451.29			(199.07)		19,606.51	20,484.69	232.47	0.00
GNMA	2000 BCDE RMRB	5.75	07/29/04	07/20/34	14,247.98	14,712.51			(58.22)		14,189.76	14,825.33	171.04	0.00
GNMA	2000 BCDE RMRB	5.75	08/05/04	08/20/34	15,556.18	16,063.44			(93.42)		15,462.76	16,155.42	185.40	0.00
GNMA	2000 BCDE RMRB	5.75	08/12/04	08/20/34	14,570.31	15,045.46			(77.15)		14,493.16	15,142.45	174.14	0.00
GNMA	2000 BCDE RMRB	5.75	08/19/04	08/20/34	9,005.82	9,286.05			(47.02)		8,958.80	9,346.57	107.54	0.00
GNMA	2000 BCDE RMRB	5.75	08/26/04	08/20/34	2,858.48	2,951.71			(12.30)		2,846.18	2,973.69	34.28	0.00
GNMA	2000 BCDE RMRB	5.75	12/02/04	11/20/34	515.40	532.20			(2.54)		512.86	535.82	6.16	0.00
GNMA	2000 BCDE RMRB	5.75	12/17/04	12/20/34	7,075.77	7,306.93			(41.10)		7,034.67	7,350.23	84.40	0.00
GNMA	2000 BCDE RMRB	5.75	10/14/04	10/20/34	2,173.23	2,244.15			(8.66)		2,164.57	2,261.59	26.10	0.00
GNMA	2000 BCDE RMRB	5.75	10/28/04	10/20/34	1,975.84	2,040.32			(9.51)		1,966.33	2,054.46	23.65	0.00
GNMA	2000 BCDE RMRB	5.75	11/04/04	10/20/34	2,326.72	2,402.70			(9.49)		2,317.23	2,421.15	27.94	0.00
GNMA	2000 BCDE RMRB	5.75	11/23/04	11/20/34	2,275.54	2,349.85			(9.84)		2,265.70	2,367.29	27.28	0.00
GNMA	2000 BCDE RMRB	5.75	12/23/04	12/20/34	11,192.75	11,558.44			(45.33)		11,147.42	11,647.51	134.40	0.00
GNMA	2000 BCDE RMRB	5.75	02/17/05	02/20/35	1,963.16	2,026.47			(7.55)		1,955.61	2,042.55	23.63	0.00
GNMA	2000 BCDE RMRB	5.75	05/05/05	04/20/35	5,200.27	5,368.11			(20.93)		5,179.34	5,409.75	62.57	0.00
GNMA	2000 BCDE RMRB	5.75	09/08/05	08/20/35	2,366.49	2,453.87			(8.80)		2,357.69	2,473.56	28.49	0.00
GNMA	2000 BCDE RMRB	5.75	10/27/05	10/20/35	4,657.51	4,808.22			(17.74)		4,639.77	4,846.56	56.08	0.00
GNMA	2000 BCDE RMRB	5.75	09/29/05	09/20/35	5,142.63	5,332.68			(26.70)		5,115.93	5,367.51	61.53	0.00
GNMA	2000 BCDE RMRB	5.75	11/22/05	11/20/35	6,341.30	6,546.58			(23.28)		6,318.02	6,599.69	76.39	0.00
GNMA	2000 BCDE RMRB	5.75	12/29/05	12/20/35	4,476.51	4,621.50			(32.17)		4,444.34	4,642.56	53.23	0.00
GNMA	2000 BCDE RMRB	5.75	02/02/06	01/20/36	5,965.04	6,157.59			(23.91)		5,941.13	6,205.46	71.78	0.00
FNMA	2000 BCDE RMRB	5.40	12/11/03	11/01/33	17,117.57	17,649.47			(103.56)		17,014.01	17,699.12	153.21	0.00
FNMA	2000 BCDE RMRB	5.40	01/29/04	01/01/34	14,267.08	14,710.75			(87.62)		14,179.46	14,750.78	127.65	0.00
FNMA	2000 BCDE RMRB	5.75	05/13/04	05/01/34	9,488.43	9,833.48			(59.51)		9,428.92	9,898.74	124.77	0.00
FNMA	2000 BCDE RMRB	5.75	06/10/04	06/01/34	8,635.30	8,949.44			(41.04)		8,594.26	9,022.60	114.20	0.00
FNMA	2000 BCDE RMRB	5.75	07/15/04	07/01/34	10,777.31	11,169.53			(59.85)		10,717.46	11,251.78	142.10	0.00
FNMA	2000 BCDE RMRB	5.75	08/19/04	08/01/34	6,520.41	6,757.80			(40.37)		6,480.04	6,803.20	85.77	0.00
FNMA	2000 BCDE RMRB	5.75	09/23/04	08/01/34	2,749.49	2,849.62			(11.78)		2,737.71	2,874.25	36.41	0.00
FNMA	2000 BCDE RMRB	5.75	11/10/04	10/01/34	1,690.32	1,751.91			(7.42)		1,682.90	1,766.88	22.39	0.00
FNMA	2000 BCDE RMRB	5.75	02/03/05	02/01/35	8,691.13	8,997.33			(36.25)		8,654.88	9,066.75	105.67	0.00
FNMA	2000 BCDE RMRB	5.75	05/26/05	04/01/35	2,383.60	2,467.66			(9.04)		2,374.56	2,487.65	29.03	0.00
FNMA	2000 BCDE RMRB	5.75	10/27/05	10/01/35	5,109.74	5,290.37			(113.00)		4,996.74	5,235.14	57.77	0.00
FNMA	2000 BCDE RMRB	5.75	01/12/06	12/01/35	5,639.38	5,838.91			(20.58)		5,618.80	5,887.06	68.73	0.00
	2000 BCDE RMRB Total				59,105,982.83	61,599,710.76	2,005,513.85	0.00	(1,236,726.36)	0.00	59,874,770.32	63,274,677.01	906,178.76	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	5,026.47	5,026.47	2.41				5,028.88	5,028.88	-	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	32.10	32.10	0.00				32.10	32.10	-	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	367.97	367.97	0.08				368.05	368.05	-	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	1,208,493.98	1,208,493.98	1,841,645.23				3,050,139.21	3,050,139.21	-	0.00
Repo Agmt	2001 A-E RMRB				11,872.29	11,872.29		(11,872.29)					-	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	406,260.33	406,260.33	195.28				406,455.61	406,455.61	-	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	126,790.26	135,661.22			(4,758.31)		122,031.95	131,162.23	259.32	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	36,859.92	38,997.64			(1,955.77)		34,904.15	37,095.77	53.90	0.00
GNMA	2001 A-E RMRB	8.19	07/25/90	06/20/15	38,886.85	41,607.48			(1,197.05)		37,689.80	40,509.61	99.18	0.00
GNMA	2001 A-E RMRB	7.19	01/22/90	11/20/14	114,920.26	121,133.03			(5,529.32)		109,390.94	115,830.15	226.44	0.00
GNMA	2001 A-E RMRB	8.19	01/22/90	11/20/14	20,437.94	21,779.09			(924.44)		19,513.50	20,890.42	35.77	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	11/20/14	70,541.39	74,354.62			(3,252.14)		67,289.25	71,249.91	147.43	0.00

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GNMA	2001 A-E RMRB	8.19	01/01/90	11/20/14	32,295.42	34,414.49			(1,251.59)		31,043.83	33,234.24	71.34	0.00
GNMA	2001 A-E RMRB	7.19	01/01/90	12/20/14	65,855.90	69,417.11			(3,130.38)		62,725.52	66,418.77	132.04	0.00
GNMA	2001 A-E RMRB	8.19	02/28/90	12/20/14	109,226.29	116,396.69			(4,223.42)		105,002.87	112,414.82	241.55	0.00
GNMA	2001 A-E RMRB	7.19	01/20/90	01/20/15	172,115.22	182,074.73			(6,922.45)		165,192.77	175,543.41	391.13	0.00
GNMA	2001 A-E RMRB	8.19	01/01/90	01/20/15	179,626.81	192,170.22			(7,576.86)		172,049.95	184,899.20	305.84	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	73,541.39	77,797.44			(17,298.49)		56,242.90	59,767.38	(731.57)	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	12/20/14	52,033.36	55,449.11			(1,926.76)		50,106.60	53,643.50	121.15	0.00
GNMA	2001 A-E RMRB	7.19	02/27/90	01/20/15	86,952.84	91,985.07			(3,441.49)		83,511.35	88,744.62	201.04	0.00
GNMA	2001 A-E RMRB	8.19	02/27/90	01/20/15	94,790.44	101,410.89			(4,540.41)		90,250.03	96,991.25	120.77	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	01/20/15	39,947.26	42,259.33			(2,308.33)		37,638.93	39,997.77	46.77	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	01/20/15	73,421.43	78,549.83			(3,253.78)		70,167.65	75,409.23	113.18	0.00
GNMA	2001 A-E RMRB	7.19	03/30/90	02/20/15	31,906.21	33,753.55			(827.74)		31,078.47	33,026.84	101.03	0.00
GNMA	2001 A-E RMRB	8.19	03/30/90	02/20/15	162,474.51	173,826.34			(6,998.50)		155,476.01	167,093.24	265.40	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	150,244.92	158,947.20			(5,438.06)		144,806.86	153,888.19	379.05	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	149,743.00	160,208.67			(6,949.12)		142,793.88	153,466.70	207.15	0.00
GNMA	2001 A-E RMRB	7.19	04/26/90	03/20/15	148,304.66	156,894.57			(7,684.68)		140,619.98	149,438.74	228.85	0.00
GNMA	2001 A-E RMRB	8.19	04/26/90	03/20/15	367,800.43	393,506.21			(15,823.77)		351,976.66	378,284.26	601.82	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	40,063.57	42,385.03			(1,752.28)		38,311.29	40,714.84	82.09	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	03/20/15	27,658.47	29,591.76			(919.15)		26,739.32	28,738.10	65.49	0.00
GNMA	2001 A-E RMRB	7.19	05/29/90	04/20/15	91,991.01	97,321.53			(9,080.01)		82,911.00	88,112.73	(128.79)	0.00
GNMA	2001 A-E RMRB	8.19	05/29/90	04/20/15	295,536.97	316,202.17			(12,673.96)		282,865.01	304,014.55	486.34	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	63,038.59	66,692.95			(2,313.70)		60,724.89	64,536.17	156.92	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	43,637.50	46,689.62			(1,448.11)		42,189.39	45,344.93	103.42	0.00
GNMA	2001 A-E RMRB	7.19	06/28/90	05/20/15	54,619.92	57,786.27			(18,166.68)		36,453.24	38,741.18	(878.41)	0.00
GNMA	2001 A-E RMRB	8.19	06/28/90	05/20/15	179,178.93	191,710.96			(6,004.70)		173,174.23	186,126.54	420.28	0.00
GNMA	2001 A-E RMRB	6.19	06/28/90	05/20/15	67,368.03	69,673.29			(2,456.87)		64,911.16	68,026.75	812.33	0.00
GNMA	2001 A-E RMRB	7.19	07/25/90	06/20/15	42,121.78	44,564.69			(1,549.26)		40,572.52	43,120.08	104.65	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	06/20/15	22,870.31	24,196.95			(753.91)		22,116.40	23,505.31	62.27	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	07/20/15	59,769.77	63,953.37			(2,080.87)		57,688.90	62,006.78	134.28	0.00
GNMA	2001 A-E RMRB	7.19	09/13/90	07/20/15	46,901.64	49,623.01			(1,551.53)		45,350.11	48,198.84	127.36	0.00
GNMA	2001 A-E RMRB	8.19	09/13/90	08/20/15	88,992.00	95,222.59			(4,078.55)		84,913.45	91,270.52	126.48	0.00
GNMA	2001 A-E RMRB	6.19	09/13/90	07/20/15	78,918.18	81,622.77			(2,941.16)		75,977.02	79,630.10	948.49	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	77,248.09	82,656.79			(2,805.13)		74,442.96	80,016.48	164.82	0.00
GNMA	2001 A-E RMRB	6.19	09/28/90	08/20/15	129,679.69	134,126.80			(5,159.85)		124,519.84	130,509.72	1,542.77	0.00
GNMA	2001 A-E RMRB	7.19	09/28/90	08/20/15	130,102.53	137,654.45			(4,826.51)		125,276.02	133,148.27	320.33	0.00
GNMA	2001 A-E RMRB	8.19	09/28/90	08/20/15	242,273.30	259,236.60			(8,278.67)		233,994.63	251,513.74	555.81	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	08/20/15	7,064.55	7,474.66			(214.73)		6,849.82	7,280.29	20.36	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	56,872.52	60,856.09			(1,835.50)		55,037.02	59,159.11	138.52	0.00
GNMA	2001 A-E RMRB	6.19	10/31/90	09/20/15	69,665.22	72,055.98			(2,723.62)		66,941.60	70,163.42	831.06	0.00
GNMA	2001 A-E RMRB	7.19	10/31/90	09/20/15	18,903.19	20,000.90			(1,558.77)		17,344.42	18,434.74	(7.39)	0.00
GNMA	2001 A-E RMRB	8.19	10/31/90	09/20/15	197,979.98	211,847.10			(6,846.54)		191,133.44	205,448.53	447.97	0.00
GNMA	2001 A-E RMRB	6.19	11/28/90	10/20/15	99,779.45	103,205.98			(3,354.26)		96,425.19	101,068.30	1,216.58	0.00
GNMA	2001 A-E RMRB	8.19	11/28/90	10/20/15	339,951.72	363,771.43			(11,009.40)		328,942.32	353,586.92	824.89	0.00
GNMA	2001 A-E RMRB	7.19	12/21/90	10/20/15	41,199.45	43,593.18			(1,208.54)		39,990.91	42,506.12	121.48	0.00
GNMA	2001 A-E RMRB	8.19	12/21/90	11/20/15	84,927.20	90,879.84			(2,774.86)		82,152.34	88,309.17	204.19	0.00
GNMA	2001 A-E RMRB	8.19	02/25/91	10/20/15	16,338.40	17,483.55			(480.26)		15,858.14	17,046.58	43.29	0.00
GNMA	2001 A-E RMRB	6.19	01/25/91	11/20/15	96,975.40	100,308.66			(3,162.62)		93,812.78	98,332.95	1,186.91	0.00
GNMA	2001 A-E RMRB	8.19	01/28/91	11/20/15	31,330.26	33,526.54			(1,198.57)		30,131.69	32,390.19	62.22	0.00
GNMA	2001 A-E RMRB	8.19	02/25/90	01/20/16	52,313.12	55,878.65			(1,681.14)		50,631.98	54,312.05	114.54	0.00
GNMA	2001 A-E RMRB	8.19	03/28/91	02/20/16	52,770.53	56,372.82			(3,480.74)		49,289.79	52,877.39	(14.69)	0.00
GNMA	2001 A-E RMRB	8.75	04/29/91	02/20/20	112,976.90	121,460.04			(1,566.35)		111,410.55	120,108.23	214.54	0.00
GNMA	2001 A-E RMRB	8.19	04/29/91	04/20/16	74,126.49	79,189.92			(2,044.46)		72,082.03	77,331.90	186.44	0.00
GNMA	2001 A-E RMRB	7.19	04/29/91	02/20/16	160,613.87	170,348.29			(5,007.51)		155,606.36	165,736.46	395.68	0.00
GNMA	2001 A-E RMRB	6.19	04/29/91	04/20/16	244,402.09	252,762.97			(8,486.89)		235,915.20	247,386.58	3,110.50	0.00
GNMA	2001 A-E RMRB	7.19	04/26/91	04/20/16	35,683.78	37,847.76			(1,233.42)		34,450.36	36,694.38	80.04	0.00
GNMA	2001 A-E RMRB	6.19	10/23/92	09/20/17	215,414.90	222,980.12			(6,462.96)		208,951.94	219,395.46	2,878.30	0.00
GNMA	2001 A-E RMRB	8.19	11/23/92	01/20/17	13,808.24	14,796.79			(398.54)		13,409.70	14,425.51	27.26	0.00
GNMA	2001 A-E RMRB	7.19	10/30/92	08/20/17	196,655.88	208,753.73			(4,721.86)		191,934.02	204,536.83	504.96	0.00
GNMA	2001 A-E RMRB	6.00	10/30/92	09/20/17	273,120.93	285,434.76			(6,627.01)		266,493.92	281,395.40	2,587.65	0.00
GNMA	2001 A-E RMRB	5.45	02/25/02	01/20/32	438,013.57	453,319.83			(2,392.77)		435,620.80	455,681.94	4,754.88	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change in Market Value	Recognized Gain
GNMA	2001 A-E RMRB	4.95	02/25/02	02/20/32	964,813.17	990,224.18			(7,564.32)		957,248.85	992,023.22	9,363.36	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	217,025.91	224,627.92			(1,117.08)		215,908.83	225,870.04	2,359.20	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	05/20/32	916,424.94	940,630.63			(5,879.09)		910,545.85	943,692.95	8,941.41	0.00
GNMA	2001 A-E RMRB	4.95	05/24/02	05/20/32	713,210.17	732,052.81			(4,241.33)		708,968.84	734,782.35	6,970.87	0.00
GNMA	2001 A-E RMRB	5.45	05/24/02	05/20/32	319,854.94	331,060.90			(1,670.61)		318,184.33	332,866.17	3,475.88	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	711,313.19	736,186.99			(3,902.46)		707,410.73	740,005.52	7,720.99	0.00
GNMA	2001 A-E RMRB	5.45	03/21/02	02/20/32	95,368.89	98,703.83			(1,018.29)		94,350.60	98,697.91	1,012.37	0.00
GNMA	2001 A-E RMRB	4.95	03/21/02	02/20/32	565,605.80	580,511.93			(98,095.23)		467,510.57	484,501.81	2,085.11	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	04/20/32	1,292,892.84	1,338,145.50			(53,909.65)		1,238,983.19	1,296,111.22	11,875.37	0.00
GNMA	2001 A-E RMRB	5.45	04/17/02	03/20/32	148,261.06	153,449.43			(753.53)		147,507.53	154,308.00	1,612.10	0.00
GNMA	2001 A-E RMRB	4.95	04/17/02	04/20/32	1,209,497.87	1,241,412.13			(142,132.42)		1,067,365.45	1,106,192.45	6,912.74	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	59,629.54	61,717.14			(298.90)		59,330.64	62,066.87	648.63	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	1,482,439.18	1,521,567.62			(10,622.28)		1,471,816.90	1,525,370.24	14,424.90	0.00
GNMA	2001 A-E RMRB	5.45	04/29/02	04/20/32	608,408.38	629,708.45			(3,622.68)		604,785.70	632,677.41	6,591.64	0.00
GNMA	2001 A-E RMRB	4.95	04/29/02	04/20/32	76,351.88	78,367.16			(453.41)		75,898.47	78,660.11	746.36	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	05/20/32	331,171.82	342,772.19			(1,728.17)		329,443.65	344,642.96	3,598.94	0.00
GNMA	2001 A-E RMRB	4.95	05/15/02	04/20/32	308,513.28	316,659.89			(1,672.66)		306,840.62	318,008.49	3,021.26	0.00
GNMA	2001 A-E RMRB	5.45	05/15/02	04/20/32	122,092.68	126,368.49			(635.84)		121,456.84	127,059.51	1,326.86	0.00
GNMA	2001 A-E RMRB	5.45	08/29/02	08/20/32	255,753.89	264,736.77			(2,456.92)		253,296.97	265,007.44	2,727.59	0.00
GNMA	2001 A-E RMRB	4.95	08/29/02	08/20/32	324,422.02	333,021.58			(1,748.24)		322,673.78	334,450.94	3,177.60	0.00
GNMA	2001 A-E RMRB	5.45	06/03/02	05/20/32	190,983.76	197,676.17			(97,731.73)		93,252.03	97,555.60	(2,388.84)	0.00
GNMA	2001 A-E RMRB	4.95	06/03/02	05/20/32	693,104.53	711,420.94			(80,313.66)		612,790.87	635,106.93	3,999.65	0.00
GNMA	2001 A-E RMRB	4.95	06/10/02	05/20/32	384,042.64	394,193.10			(2,272.00)		381,770.54	395,675.14	3,754.04	0.00
GNMA	2001 A-E RMRB	5.45	06/19/02	06/20/32	93,990.94	97,286.22			(532.63)		93,458.31	97,773.08	1,019.49	0.00
GNMA	2001 A-E RMRB	4.95	06/19/02	06/20/32	175,351.10	179,988.13			(999.35)		174,351.75	180,704.25	1,715.47	0.00
GNMA	2001 A-E RMRB	5.45	06/25/02	05/20/32	89,336.54	92,468.45			(449.05)		88,887.49	92,991.05	971.65	0.00
GNMA	2001 A-E RMRB	4.95	06/25/02	06/20/32	183,082.29	187,924.53			(1,010.08)		182,072.21	188,706.77	1,792.32	0.00
GNMA	2001 A-E RMRB	5.45	07/05/02	06/20/32	337,885.86	349,735.86			(1,673.37)		336,212.49	351,738.61	3,676.12	0.00
GNMA	2001 A-E RMRB	4.95	07/05/02	06/20/32	783,776.82	804,512.12			(5,224.89)		778,551.93	806,927.35	7,640.12	0.00
GNMA	2001 A-E RMRB	5.45	07/15/02	06/20/32	113,479.83	117,460.51			(719.45)		112,760.38	117,968.42	1,227.36	0.00
GNMA	2001 A-E RMRB	4.95	07/15/02	06/20/32	278,104.45	285,463.90			(1,880.19)		276,224.26	286,293.68	2,709.97	0.00
GNMA	2001 A-E RMRB	5.45	07/22/02	06/20/32	158,888.92	164,463.30			(57,167.23)		101,721.69	106,420.43	(875.64)	0.00
GNMA	2001 A-E RMRB	4.95	07/22/02	07/20/32	346,993.01	356,179.37			(2,787.68)		344,205.33	356,756.84	3,365.15	0.00
GNMA	2001 A-E RMRB	5.45	07/29/02	06/20/32	164,739.27	170,519.76			(915.73)		163,823.54	171,391.58	1,787.55	0.00
GNMA	2001 A-E RMRB	4.95	07/29/02	07/20/32	264,025.32	271,016.31			(1,413.93)		262,611.39	272,188.98	2,586.60	0.00
GNMA	2001 A-E RMRB	5.45	08/01/02	07/20/32	61,041.34	63,183.71			(302.19)		60,739.15	63,545.66	664.14	0.00
GNMA	2001 A-E RMRB	4.95	08/01/02	06/20/32	53,382.36	54,795.67			(298.38)		53,083.98	55,019.76	522.47	0.00
GNMA	2001 A-E RMRB	5.45	08/12/02	07/20/32	157,349.53	162,873.18			(895.99)		156,453.54	163,683.75	1,706.56	0.00
GNMA	2001 A-E RMRB	4.95	08/12/02	07/20/32	228,338.36	234,386.76			(1,330.21)		227,008.15	235,289.38	2,232.83	0.00
GNMA	2001 A-E RMRB	5.45	08/23/02	08/20/32	820,628.68	849,448.34			(4,586.69)		816,041.99	853,765.97	8,904.32	0.00
GNMA	2001 A-E RMRB	4.95	08/23/02	08/20/32	895,842.46	919,585.19			(4,924.06)		890,918.40	923,432.01	8,770.88	0.00
GNMA	2001 A-E RMRB	5.45	11/12/02	10/20/32	335,374.60	347,176.41			(2,513.15)		332,861.45	348,272.82	3,609.56	0.00
GNMA	2001 A-E RMRB	5.45	09/12/02	08/20/32	226,017.87	233,958.65			(2,032.51)		223,985.36	234,343.02	2,416.88	0.00
GNMA	2001 A-E RMRB	4.95	09/12/02	08/20/32	415,125.08	426,133.30			(2,231.53)		412,893.55	427,967.97	4,066.20	0.00
GNMA	2001 A-E RMRB	5.45	09/19/02	09/20/32	110,048.04	113,915.68			(529.60)		109,518.44	114,584.14	1,198.06	0.00
GNMA	2001 A-E RMRB	4.95	09/19/02	09/20/32	520,651.75	534,464.17			(3,382.79)		517,268.96	536,159.92	5,078.54	0.00
GNMA	2001 A-E RMRB	5.45	09/26/02	09/20/32	573,080.10	593,224.00			(3,194.68)		569,885.42	596,248.05	6,218.73	0.00
GNMA	2001 A-E RMRB	4.95	09/26/02	09/20/32	366,312.13	376,031.94			(1,976.83)		364,335.30	377,642.93	3,587.82	0.00
GNMA	2001 A-E RMRB	5.45	10/10/02	09/20/32	571,073.89	591,152.67			(2,813.03)		568,260.86	594,553.77	6,214.13	0.00
GNMA	2001 A-E RMRB	4.95	10/10/02	09/20/32	316,651.88	325,056.96			(2,012.18)		314,639.70	326,135.14	3,090.36	0.00
GNMA	2001 A-E RMRB	5.45	10/21/02	10/20/32	145,997.53	151,132.89			(817.88)		145,179.65	151,899.12	1,584.11	0.00
GNMA	2001 A-E RMRB	4.95	10/21/02	10/20/32	296,468.00	304,341.62			(2,184.41)		294,283.59	305,039.62	2,882.41	0.00
GNMA	2001 A-E RMRB	5.45	10/29/02	11/20/32	49,001.86	50,726.03			(237.00)		48,764.86	51,022.50	533.47	0.00
GNMA	2001 A-E RMRB	4.95	10/29/02	11/20/32	300,615.64	308,602.83			(1,699.89)		298,915.75	309,844.82	2,941.88	0.00
GNMA	2001 A-E RMRB	5.45	11/05/02	10/20/32	408,335.50	422,702.67			(2,148.21)		406,187.29	424,991.48	4,437.02	0.00
GNMA	2001 A-E RMRB	4.95	11/05/02	10/20/32	247,903.09	254,469.48			(1,289.17)		246,613.92	255,630.20	2,429.89	0.00
GNMA	2001 A-E RMRB	5.45	11/19/02	11/20/32	105,828.91	109,554.24			(510.37)		105,318.54	110,195.97	1,152.10	0.00
GNMA	2001 A-E RMRB	4.95	11/19/02	11/20/32	70,690.77	72,570.09			(364.55)		70,326.22	72,898.55	693.01	0.00
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	185,362.31	191,888.33			(895.10)		184,467.21	193,011.12	2,017.89	0.00
GNMA	2001 A-E RMRB	4.95	11/26/02	11/20/32	76,030.11	78,051.76			(399.29)		75,630.82	78,397.57	745.10	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.45	11/26/02	11/20/32	166,438.71	172,298.45			(1,119.99)		165,318.72	172,975.71	1,797.25	0.00
GNMA	2001 A-E RMRB	4.95	12/12/02	11/20/32	73,282.91	75,232.35			(432.33)		72,850.58	75,516.45	716.43	0.00
GNMA	2001 A-E RMRB	5.45	12/12/02	11/20/32	295,192.29	305,588.41			(1,577.53)		293,614.76	307,217.39	3,206.51	0.00
GNMA	2001 A-E RMRB	5.45	12/19/02	12/20/32	354,299.93	366,781.76			(1,846.93)		352,453.00	368,785.56	3,850.75	0.00
GNMA	2001 A-E RMRB	4.95	12/19/02	11/20/32	63,008.13	64,684.57			(321.75)		62,686.38	64,980.64	617.82	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	330,982.23	342,645.01			(1,880.58)		329,101.65	344,354.56	3,590.13	0.00
GNMA	2001 A-E RMRB	5.45	12/30/02	12/20/32	41,933.29	43,410.89			(219.59)		41,713.70	43,647.01	455.71	0.00
GNMA	2001 A-E RMRB	4.95	12/30/02	12/20/32	55,906.14	57,394.37			(471.55)		55,434.59	57,464.19	541.37	0.00
GNMA	2001 A-E RMRB	5.45	01/09/03	12/20/32	99,238.46	102,736.14			(877.55)		98,360.91	102,920.48	1,061.89	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	367,272.07	380,044.73			(1,920.68)		365,351.39	382,208.54	4,084.49	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	358,041.69	368,003.51			(2,081.16)		355,960.53	369,224.10	3,301.75	0.00
GNMA	2001 A-E RMRB	5.45	01/23/03	01/20/33	89,583.63	92,699.09			(425.34)		89,158.29	93,272.01	998.26	0.00
GNMA	2001 A-E RMRB	4.95	01/23/03	01/20/33	45,019.48	46,272.06			(877.16)		44,142.32	45,787.13	392.23	0.00
GNMA	2001 A-E RMRB	5.45	01/30/03	12/20/32	271,637.21	281,215.09			(79,162.26)		192,474.95	201,400.08	(652.75)	0.00
GNMA	2001 A-E RMRB	4.95	01/30/03	01/20/33	70,458.60	72,419.34			(492.95)		69,965.65	72,573.03	646.64	0.00
GNMA	2001 A-E RMRB	5.45	02/12/03	01/20/33	227,630.52	235,560.18			(1,292.83)		226,337.69	236,784.16	2,526.81	0.00
GNMA	2001 A-E RMRB	4.95	02/12/03	02/20/33	155,363.13	159,689.03			(797.79)		154,565.34	160,327.89	1,436.65	0.00
GNMA	2001 A-E RMRB	5.45	02/20/03	02/20/33	173,463.15	179,500.40			(847.73)		172,615.42	180,584.56	1,931.89	0.00
GNMA	2001 A-E RMRB	4.95	02/27/03	02/20/33	134,674.10	138,425.48			(830.41)		133,843.69	138,835.22	1,240.15	0.00
GNMA	2001 A-E RMRB	4.95	03/12/03	02/20/33	155,528.51	159,862.24			(796.08)		154,732.43	160,504.44	1,438.28	0.00
GNMA	2001 A-E RMRB	5.45	03/20/03	02/20/33	257,248.39	266,206.82			(1,952.59)		255,295.80	267,087.16	2,832.93	0.00
GNMA	2001 A-E RMRB	4.95	03/20/03	02/20/33	99,310.64	102,078.40			(568.61)		98,742.03	102,425.94	916.15	0.00
GNMA	2001 A-E RMRB	5.45	04/02/03	03/20/33	109,818.93	113,644.99			(525.56)		109,293.37	114,343.03	1,223.60	0.00
GNMA	2001 A-E RMRB	5.45	04/10/03	03/20/33	119,377.67	123,537.37			(736.12)		118,641.55	124,123.75	1,322.50	0.00
GNMA	2001 A-E RMRB	5.45	04/17/03	03/20/33	48,855.60	50,558.22			(729.04)		48,126.56	50,350.65	521.47	0.00
GNMA	2001 A-E RMRB	5.45	04/29/03	04/20/33	214,609.32	222,091.62			(1,024.19)		213,585.13	223,459.00	2,391.57	0.00
GNMA	2001 A-E RMRB	5.45	05/08/03	04/20/33	199,621.58	206,582.79			(1,234.56)		198,387.02	207,559.54	2,211.31	0.00
GNMA	2001 A-E RMRB	4.95	05/15/03	04/20/33	142,646.02	146,629.06			(715.97)		141,930.05	147,232.79	1,319.70	0.00
GNMA	2001 A-E RMRB	5.45	05/22/03	04/20/33	147,693.90	152,845.83			(764.28)		146,929.62	153,724.54	1,642.99	0.00
GNMA	2001 A-E RMRB	5.45	05/29/03	05/20/33	276,375.41	286,018.94			(1,284.42)		275,090.99	287,815.77	3,081.25	0.00
GNMA	2001 A-E RMRB	5.45	06/10/03	05/20/33	155,192.80	160,609.38			(58,298.78)		96,894.02	101,376.93	(933.67)	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	109,995.00	113,835.45			(606.75)		109,388.25	114,450.60	1,221.90	0.00
GNMA	2001 A-E RMRB	5.45	06/19/03	06/20/33	204,146.29	211,274.02			(2,188.76)		201,957.53	211,303.87	2,218.61	0.00
GNMA	2001 A-E RMRB	5.45	06/26/03	06/20/33	99,327.20	102,795.70			(563.88)		98,763.32	103,334.48	1,102.66	0.00
GNMA	2001 A-E RMRB	5.45	07/10/03	06/20/33	48,282.99	49,969.53			(218.89)		48,064.10	50,289.20	538.56	0.00
GNMA	2001 A-E RMRB	5.45	07/17/03	07/20/33	51,679.38	53,485.10			(232.76)		51,446.62	53,828.86	576.52	0.00
GNMA	2001 A-E RMRB	5.45	07/24/03	07/20/33	48,152.05	49,834.77			(220.66)		47,931.39	50,151.11	537.00	0.00
GNMA	2001 A-E RMRB	5.45	07/30/03	07/20/33	50,682.31	52,453.67			(230.70)		50,451.61	52,788.26	565.29	0.00
GNMA	2001 A-E RMRB	5.45	08/07/03	07/20/33	92,833.68	96,078.82			(2,658.62)		90,175.06	94,352.05	931.85	0.00
GNMA	2001 A-E RMRB	5.45	08/28/03	08/20/33	52,930.30	54,781.67			(317.69)		52,612.61	55,050.78	586.80	0.00
GNMA	2001 A-E RMRB	5.45	09/29/03	09/20/33	52,267.04	54,096.79			(238.92)		52,028.12	54,440.80	582.93	0.00
GNMA	2001 A-E RMRB	5.45	10/23/03	10/20/33	48,381.49	50,076.32			(221.22)		48,160.27	50,394.70	539.60	0.00
GNMA	2001 A-E RMRB	5.45	11/20/03	10/20/33	51,705.20	53,517.60			(229.24)		51,475.96	53,865.31	576.95	0.00
GNMA	2001 A-E RMRB	5.45	11/26/03	06/20/33	61,864.08	64,031.60			(299.21)		61,564.87	64,421.54	689.15	0.00
GNMA	2001 A-E RMRB	5.45	12/04/03	11/20/33	239,486.62	247,884.97			(1,073.16)		238,413.46	249,483.90	2,672.09	0.00
GNMA	2001 A-E RMRB	5.45	12/11/03	12/20/33	58,697.85	60,756.89			(557.39)		58,140.46	60,840.75	641.25	0.00
GNMA	2001 A-E RMRB	4.95	01/15/04	01/20/34	119,228.53	122,535.97			(557.55)		118,670.98	123,085.75	1,107.33	0.00
GNMA	2001 A-E RMRB	4.95	01/22/04	01/20/34	366,351.87	375,596.82			(1,958.03)		364,393.84	377,018.80	3,380.01	0.00
GNMA	2001 A-E RMRB	5.45	01/22/04	12/20/33	50,703.71	52,483.91			(221.11)		50,482.60	52,828.83	566.03	0.00
GNMA	2001 A-E RMRB	5.45	01/29/04	11/20/33	50,005.18	51,760.90			(221.55)		49,783.63	52,097.43	558.08	0.00
GNMA	2001 A-E RMRB	5.45	02/12/04	11/20/33	50,185.82	51,948.47			(271.86)		49,913.96	52,234.34	557.73	0.00
GNMA	2001 A-E RMRB	5.45	03/11/04	02/20/34	51,113.78	52,872.18			(220.52)		50,893.26	53,228.72	577.06	0.00
GNMA	2001 A-E RMRB	4.95	03/11/04	02/20/34	124,536.66	127,997.28			(582.95)		123,953.71	128,570.97	1,156.64	0.00
GNMA	2001 A-E RMRB	4.95	04/08/04	02/20/34	98,151.48	100,634.64			(457.87)		97,693.61	101,084.67	907.90	0.00
GNMA	2001 A-E RMRB	5.49	04/16/04	04/20/34	92,335.56	95,641.21			(468.13)		91,867.43	96,158.90	985.82	0.00
FNMA	2001 A-E RMRB	5.45	04/17/02	03/01/32	274,526.56	283,345.86			(1,582.00)		272,944.56	284,389.04	2,625.18	0.00
FNMA	2001 A-E RMRB	4.95	05/15/02	04/01/32	179,822.36	184,130.53			(95,794.74)		84,027.62	86,585.47	(1,750.32)	0.00
FNMA	2001 A-E RMRB	4.95	06/10/02	06/01/32	82,855.10	84,841.42			(2,494.42)		80,360.68	82,808.14	461.14	0.00
FNMA	2001 A-E RMRB	4.95	07/22/02	06/01/32	225,804.91	231,221.46			(1,893.11)		223,911.80	230,734.50	1,406.15	0.00
FNMA	2001 A-E RMRB	5.45	09/19/02	08/01/32	230,682.56	238,109.37			(1,159.86)		229,522.70	239,162.60	2,213.09	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change in Market Value	Recognized Gain
FNMA	2001 A-E RMRB	4.95	09/26/02	09/01/32	83,902.28	85,917.57			(441.90)		83,460.38	86,006.13	530.46	0.00
FNMA	2001 A-E RMRB	5.45	01/23/03	11/01/32	291,107.30	300,495.17			(74,356.03)		216,751.27	225,866.56	(272.58)	0.00
FNMA	2001 A-E RMRB	4.95	07/24/03	09/01/32	212,673.64	217,805.14			(1,751.25)		210,922.39	217,378.96	1,325.07	0.00
FNMA	2001 A-E RMRB	5.45	09/18/03	01/01/33	53,836.48	55,545.71			(495.99)		53,340.49	55,541.53	491.81	0.00
FNMA	2001 A-E RMRB	5.45	04/08/04	01/01/32	24,518.75	25,312.88			(241.17)		24,277.58	25,301.91	230.20	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	495.82	495.82	0.13				495.95	495.95	-	0.00
Repo Agmt	2001 A-E RMRB	0.18	05/29/09	06/01/09	183.83	183.83	0.00				183.83	183.83	-	0.00
GNMA	2001 A-E RMRB	5.49	03/12/03	03/20/33	4,716.59	4,887.26			(21.68)		4,694.91	4,915.54	49.96	0.00
GNMA	2001 A-E RMRB	5.49	03/20/03	02/20/33	11,415.44	11,828.50			(53.24)		11,362.20	11,896.16	120.90	0.00
GNMA	2001 A-E RMRB	5.49	04/02/03	03/20/33	19,725.46	20,439.53			(114.91)		19,610.55	20,532.42	207.80	0.00
GNMA	2001 A-E RMRB	4.80	04/02/03	03/20/33	10,779.51	11,000.36			(57.53)		10,721.98	11,075.37	132.54	0.00
GNMA	2001 A-E RMRB	4.80	04/10/03	04/20/33	48,327.83	49,318.51			(246.30)		48,081.53	49,666.68	594.67	0.00
GNMA	2001 A-E RMRB	5.49	04/17/03	04/20/33	44,126.20	45,724.32			(319.48)		43,806.72	45,866.77	461.93	0.00
GNMA	2001 A-E RMRB	4.80	04/17/03	03/20/33	9,176.09	9,364.17			(54.67)		9,121.42	9,422.14	112.64	0.00
GNMA	2001 A-E RMRB	4.80	04/24/03	04/20/33	10,865.02	11,087.85			(54.99)		10,810.03	11,166.57	133.71	0.00
GNMA	2001 A-E RMRB	5.49	04/29/03	04/20/33	6,800.58	7,046.95			(31.54)		6,769.04	7,087.44	72.03	0.00
GNMA	2001 A-E RMRB	4.80	04/29/03	03/20/33	9,294.05	9,464.64			(65.78)		9,228.27	9,532.60	113.74	0.00
GNMA	2001 A-E RMRB	5.49	05/08/03	05/20/33	27,106.11	28,088.40			(125.39)		26,980.72	28,250.10	287.09	0.00
GNMA	2001 A-E RMRB	5.49	05/15/03	05/20/33	14,635.69	15,166.13			(67.04)		14,568.65	15,254.14	155.05	0.00
GNMA	2001 A-E RMRB	4.80	05/15/03	04/20/33	13,643.40	13,923.43			(74.69)		13,568.71	14,016.45	167.71	0.00
GNMA	2001 A-E RMRB	5.49	05/22/03	05/20/33	36,223.88	37,536.98			(175.76)		36,048.12	37,744.49	383.27	0.00
GNMA	2001 A-E RMRB	4.80	05/22/03	04/20/33	25,267.26	25,785.97			(128.20)		25,139.06	25,968.72	310.95	0.00
GNMA	2001 A-E RMRB	5.49	05/29/03	05/20/33	5,765.71	5,974.76			(27.97)		5,737.74	6,007.80	61.01	0.00
GNMA	2001 A-E RMRB	4.80	05/29/03	05/20/33	19,259.34	19,654.93			(97.81)		19,161.53	19,794.13	237.01	0.00
GNMA	2001 A-E RMRB	5.49	06/10/03	05/20/33	10,925.55	11,321.73			(49.62)		10,875.93	11,387.87	115.76	0.00
GNMA	2001 A-E RMRB	4.80	06/10/03	05/20/33	8,795.71	8,976.44			(49.49)		8,746.22	9,035.03	108.08	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	11,101.80	11,504.53			(5,532.21)		5,569.59	5,831.84	(140.48)	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	10,134.10	10,342.49			(50.62)		10,083.48	10,416.61	124.74	0.00
GNMA	2001 A-E RMRB	5.49	06/19/03	06/20/33	12,625.07	13,083.02			(104.76)		12,520.31	13,109.80	131.54	0.00
GNMA	2001 A-E RMRB	4.80	06/19/03	06/20/33	6,458.95	6,591.74			(32.86)		6,426.09	6,638.35	79.47	0.00
GNMA	2001 A-E RMRB	5.49	06/26/03	06/20/33	4,913.25	5,091.53			(22.51)		4,890.74	5,121.07	52.05	0.00
GNMA	2001 A-E RMRB	5.49	07/03/03	06/20/33	14,448.79	14,973.05			(124.26)		14,324.53	14,999.13	150.34	0.00
GNMA	2001 A-E RMRB	5.49	07/10/03	06/20/33	14,875.03	15,414.88			(67.36)		14,807.67	15,505.14	157.62	0.00
GNMA	2001 A-E RMRB	4.80	07/10/03	06/20/33	13,792.26	14,076.09			(69.35)		13,722.91	14,176.49	169.75	0.00
GNMA	2001 A-E RMRB	4.80	07/17/03	06/20/33	49,973.08	51,001.60			(345.65)		49,627.43	51,267.89	611.94	0.00
GNMA	2001 A-E RMRB	5.49	07/24/03	07/20/33	37,713.46	39,082.73			(257.39)		37,456.07	39,220.87	395.53	0.00
GNMA	2001 A-E RMRB	4.80	07/24/03	07/20/33	37,921.21	38,702.09			(194.23)		37,726.98	38,974.47	466.61	0.00
GNMA	2001 A-E RMRB	5.49	07/30/03	07/20/33	11,457.98	11,874.05			(4,830.96)		6,627.02	6,939.32	(103.77)	0.00
GNMA	2001 A-E RMRB	5.49	08/07/03	07/20/33	26,541.48	27,505.41			(156.58)		26,384.90	27,628.37	279.54	0.00
GNMA	2001 A-E RMRB	4.80	08/07/03	06/20/33	10,505.91	10,722.30			(52.52)		10,453.39	10,799.09	129.31	0.00
GNMA	2001 A-E RMRB	5.49	08/14/03	08/20/33	15,721.29	16,292.39			(71.02)		15,650.27	16,387.98	166.61	0.00
GNMA	2001 A-E RMRB	4.80	08/14/03	07/20/33	30,588.79	31,219.18			(155.31)		30,433.48	31,440.30	376.43	0.00
GNMA	2001 A-E RMRB	5.49	08/21/03	08/20/33	11,879.12	12,310.76			(5,824.07)		6,055.05	6,340.53	(146.16)	0.00
GNMA	2001 A-E RMRB	4.80	08/28/03	08/20/33	12,394.92	12,650.52			(64.14)		12,330.78	12,738.89	152.51	0.00
GNMA	2001 A-E RMRB	5.49	09/04/03	08/20/33	5,188.36	5,376.93			(27.69)		5,160.67	5,404.02	54.78	0.00
GNMA	2001 A-E RMRB	5.49	09/18/03	09/20/33	32,386.66	33,564.24			(148.11)		32,238.55	33,759.26	343.13	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	32,857.39	33,535.71			(171.24)		32,686.15	33,768.69	404.22	0.00
GNMA	2001 A-E RMRB	4.80	09/18/03	09/20/33	7,219.39	7,368.43			(35.41)		7,183.98	7,421.91	88.89	0.00
GNMA	2001 A-E RMRB	5.49	09/29/03	09/20/33	41,945.61	43,471.13			(193.96)		41,751.65	43,721.47	444.30	0.00
GNMA	2001 A-E RMRB	4.80	09/29/03	09/20/33	33,370.11	34,059.30			(175.44)		33,194.67	34,294.34	410.48	0.00
GNMA	2001 A-E RMRB	5.49	10/16/03	09/20/33	9,604.69	9,954.13			(44.19)		9,560.50	10,011.68	101.74	0.00
GNMA	2001 A-E RMRB	5.49	10/30/03	10/20/33	22,456.95	23,232.19			(99.66)		22,357.29	23,369.89	237.36	0.00
GNMA	2001 A-E RMRB	4.80	10/30/03	10/20/33	179,595.23	182,862.21			(13,238.51)		166,356.72	171,448.20	1,824.50	0.00
GNMA	2001 A-E RMRB	5.49	11/13/03	10/20/33	19,456.32	20,128.20			(121.92)		19,334.40	20,210.30	204.02	0.00
GNMA	2001 A-E RMRB	4.80	11/13/03	10/20/33	101,115.75	103,207.93			(514.13)		100,601.62	103,938.20	1,244.40	0.00
GNMA	2001 A-E RMRB	5.49	11/20/03	11/20/33	5,045.83	5,229.59			(29.11)		5,016.72	5,253.66	53.18	0.00
GNMA	2001 A-E RMRB	4.80	11/20/03	11/20/33	147,651.22	150,340.13			(787.85)		146,863.37	151,361.42	1,809.14	0.00
GNMA	2001 A-E RMRB	5.49	11/26/03	10/20/33	6,114.63	6,337.31			(74.67)		6,039.96	6,325.23	62.59	0.00
GNMA	2001 A-E RMRB	4.80	11/26/03	11/20/33	50,910.26	51,964.42			(258.61)		50,651.65	52,332.37	626.56	0.00
GNMA	2001 A-E RMRB	4.80	12/04/03	12/20/33	57,022.42	58,061.77			(366.36)		56,656.06	58,392.20	696.79	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	12/04/03	11/20/33	4,861.62	5,038.70			(21.62)		4,840.00	5,068.62	51.54	0.00
GNMA	2001 A-E RMRB	4.80	12/11/03	12/20/33	42,361.23	43,133.58			(280.55)		42,080.68	43,370.37	517.34	0.00
GNMA	2001 A-E RMRB	5.49	12/11/03	09/20/33	10,134.96	10,504.08			(52.55)		10,082.41	10,558.62	107.09	0.00
GNMA	2001 A-E RMRB	5.49	12/18/03	12/20/33	5,451.45	5,650.15			(24.10)		5,427.35	5,683.83	57.78	0.00
GNMA	2001 A-E RMRB	4.80	12/18/03	12/20/33	40,853.89	41,700.70			(198.94)		40,654.95	42,004.85	503.09	0.00
GNMA	2001 A-E RMRB	5.49	12/23/03	12/20/33	5,950.93	6,167.85			(26.05)		5,924.88	6,204.90	63.10	0.00
GNMA	2001 A-E RMRB	4.80	12/23/03	12/20/33	5,421.82	5,520.69			(26.10)		5,395.72	5,561.11	66.52	0.00
GNMA	2001 A-E RMRB	5.49	01/15/04	01/20/34	24,796.46	25,682.01			(200.05)		24,596.41	25,743.21	261.25	0.00
GNMA	2001 A-E RMRB	5.49	01/22/04	01/20/34	38,655.01	39,963.28			(189.57)		38,465.44	40,185.51	411.80	0.00
GNMA	2001 A-E RMRB	4.80	01/22/04	01/20/34	37,205.34	37,972.44			(185.61)		37,019.73	38,248.59	461.76	0.00
GNMA	2001 A-E RMRB	5.49	01/29/04	01/20/34	5,792.97	5,999.94			(28.60)		5,764.37	6,033.21	61.87	0.00
GNMA	2001 A-E RMRB	4.80	01/29/04	11/20/33	8,113.75	8,282.16			(40.50)		8,073.25	8,341.54	99.88	0.00
GNMA	2001 A-E RMRB	4.80	02/12/04	01/20/34	19,835.84	20,195.72			(109.29)		19,726.55	20,331.36	244.93	0.00
GNMA	2001 A-E RMRB	5.49	02/12/04	02/20/34	42,065.75	43,569.19			(186.50)		41,879.25	43,833.08	450.39	0.00
GNMA	2001 A-E RMRB	4.80	02/26/04	02/20/34	26,117.66	26,591.95			(146.99)		25,970.67	26,767.37	322.41	0.00
GNMA	2001 A-E RMRB	5.49	02/26/04	02/20/34	21,176.36	21,893.74			(94.22)		21,082.14	22,025.55	226.03	0.00
GNMA	2001 A-E RMRB	4.80	03/11/04	03/20/34	24,691.88	25,140.67			(118.57)		24,573.31	25,327.55	305.45	0.00
GNMA	2001 A-E RMRB	5.49	03/11/04	03/20/34	55,789.83	57,785.25			(308.62)		55,481.21	58,071.06	594.43	0.00
GNMA	2001 A-E RMRB	5.49	03/25/04	03/20/34	27,941.72	28,889.04			(119.29)		27,822.43	29,068.22	298.47	0.00
GNMA	2001 A-E RMRB	5.49	07/09/04	07/20/34	7,572.25	7,843.91			(35.32)		7,536.93	7,889.59	81.00	0.00
GNMA	2001 A-E RMRB	4.80	07/08/04	06/20/34	9,482.55	9,655.85			(45.13)		9,437.42	9,728.03	117.31	0.00
GNMA	2001 A-E RMRB	5.49	04/01/04	04/20/34	27,860.55	36,865.78			(46.89)		27,813.66	37,087.54	268.65	0.00
GNMA	2001 A-E RMRB	4.80	04/22/04	04/20/34	30,126.50	30,750.19			(146.42)		29,980.08	30,977.84	374.07	0.00
GNMA	2001 A-E RMRB	5.49	04/22/04	04/20/34	18,442.02	19,102.33			(87.79)		18,354.23	19,211.70	197.16	0.00
GNMA	2001 A-E RMRB	4.80	04/29/04	04/20/34	21,780.81	22,177.59			(108.40)		21,672.41	22,338.50	269.31	0.00
GNMA	2001 A-E RMRB	5.49	04/29/04	04/20/34	10,319.06	10,688.55			(45.89)		10,273.17	10,753.13	110.47	0.00
GNMA	2001 A-E RMRB	4.80	05/06/04	04/20/34	17,015.27	17,367.72			(91.04)		16,924.23	17,487.67	210.99	0.00
GNMA	2001 A-E RMRB	5.49	05/06/04	04/20/34	6,800.07	7,043.59			(28.75)		6,771.32	7,087.71	72.87	0.00
GNMA	2001 A-E RMRB	4.80	05/13/04	04/20/34	10,676.76	10,897.97			(50.28)		10,626.48	10,980.31	132.62	0.00
GNMA	2001 A-E RMRB	5.49	05/27/04	05/20/34	18,238.45	18,892.02			(83.68)		18,154.77	19,003.50	195.16	0.00
GNMA	2001 A-E RMRB	5.49	06/03/04	05/20/34	6,431.57	6,662.09			(26.97)		6,404.60	6,704.06	68.94	0.00
GNMA	2001 A-E RMRB	5.49	06/24/04	06/20/34	13,366.77	13,846.15			(55.75)		13,311.02	13,933.69	143.29	0.00
GNMA	2001 A-E RMRB	5.49	09/02/04	08/20/34	15,718.55	16,253.79			(68.42)		15,650.13	16,353.21	167.84	0.00
GNMA	2001 A-E RMRB	5.49	09/09/04	09/20/34	28,095.17	29,104.79			(115.83)		27,979.34	29,290.22	301.26	0.00
GNMA	2001 A-E RMRB	5.49	09/16/04	09/20/34	16,578.84	17,174.67			(68.02)		16,510.82	17,284.41	177.76	0.00
GNMA	2001 A-E RMRB	4.80	09/29/04	09/20/34	13,483.89	13,764.98			(61.45)		13,422.44	13,871.11	167.58	0.00
GNMA	2001 A-E RMRB	5.49	09/29/04	09/20/34	16,244.17	16,828.18			(68.20)		16,175.97	16,934.08	174.10	0.00
GNMA	2001 A-E RMRB	5.49	10/07/04	09/20/34	11,970.71	12,401.16			(50.26)		11,920.45	12,479.21	128.31	0.00
GNMA	2001 A-E RMRB	4.80	10/07/04	09/20/34	13,249.70	13,526.00			(62.05)		13,187.65	13,628.55	164.60	0.00
GNMA	2001 A-E RMRB	5.49	07/15/04	04/20/34	11,530.23	11,943.84			(49.22)		11,481.01	12,018.16	123.54	0.00
GNMA	2001 A-E RMRB	5.49	07/22/04	07/20/34	11,210.05	11,612.40			(49.32)		11,160.73	11,683.13	120.05	0.00
GNMA	2001 A-E RMRB	5.49	07/29/04	07/20/34	6,382.72	6,611.80			(26.41)		6,356.31	6,653.81	68.42	0.00
GNMA	2001 A-E RMRB	5.49	08/05/04	08/20/34	25,467.08	26,381.48			(109.59)		25,357.49	26,544.71	272.82	0.00
GNMA	2001 A-E RMRB	5.49	08/19/04	08/20/34	21,290.43	22,055.08			(128.53)		21,161.90	22,152.91	226.36	0.00
GNMA	2001 A-E RMRB	5.49	08/26/04	08/20/34	13,062.47	13,531.65			(54.09)		13,008.38	13,617.59	140.03	0.00
GNMA	2001 A-E RMRB	5.49	12/02/04	11/20/34	36,693.12	38,014.48			(155.49)		36,537.63	38,252.22	393.23	0.00
GNMA	2001 A-E RMRB	4.80	12/02/04	11/20/34	24,937.05	25,458.39			(115.08)		24,821.97	25,653.18	309.87	0.00
GNMA	2001 A-E RMRB	4.80	10/14/04	09/20/34	3,131.75	3,197.03			(17.02)		3,114.73	3,218.83	38.82	0.00
GNMA	2001 A-E RMRB	4.80	10/28/04	09/20/34	9,648.67	9,826.00			(84.70)		9,563.97	9,859.48	118.18	0.00
GNMA	2001 A-E RMRB	5.49	10/28/04	10/20/34	14,356.88	14,873.40			(59.27)		14,297.61	14,968.09	153.96	0.00
GNMA	2001 A-E RMRB	5.49	12/29/04	12/20/34	23,602.12	24,452.65			(95.17)		23,506.95	24,610.65	253.17	0.00
GNMA	2001 A-E RMRB	4.80	12/29/04	12/20/34	14,511.24	14,814.99			(64.93)		14,446.31	14,930.44	180.38	0.00
GNMA	2001 A-E RMRB	5.49	01/06/05	01/20/35	10,835.29	11,219.57			(43.13)		10,792.16	11,294.57	118.13	0.00
GNMA	2001 A-E RMRB	5.49	01/13/05	12/20/34	11,797.38	12,222.64			(48.61)		11,748.77	12,300.54	126.51	0.00
GNMA	2001 A-E RMRB	5.49	01/27/05	01/20/35	43,205.38	44,657.22			(2,659.52)		40,545.86	42,355.85	358.15	0.00
GNMA	2001 A-E RMRB	5.49	03/10/05	12/20/34	11,497.96	11,912.95			(46.20)		11,451.76	11,990.11	123.36	0.00
GNMA	2001 A-E RMRB	5.49	05/05/05	03/20/35	6,382.07	6,609.02			(26.29)		6,355.78	6,652.26	69.53	0.00
GNMA	2001 A-E RMRB	5.49	07/07/05	06/20/35	7,919.88	8,202.04			(37.01)		7,882.87	8,251.12	86.09	0.00
GNMA	2001 A-E RMRB	4.80	07/07/05	06/20/35	8,384.93	8,408.80			(37.60)		8,347.33	8,475.97	104.77	0.00
GNMA	2001 A-E RMRB	4.80	06/02/05	04/20/35	33,683.47	33,697.98			(184.96)		33,498.51	33,931.84	418.82	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2001 A-E RMRB	5.49	09/08/05	08/20/35	13,732.70	14,197.04			(55.86)		13,676.84	14,290.27	149.09	0.00
GNMA	2001 A-E RMRB	5.49	09/15/05	09/20/35	25,627.86	26,494.60			(100.46)		25,527.40	26,672.54	278.40	0.00
GNMA	2001 A-E RMRB	5.49	08/04/05	08/20/35	33,979.96	35,191.62			(133.00)		33,846.96	35,429.25	370.63	0.00
GNMA	2001 A-E RMRB	4.80	10/13/05	09/20/35	12,895.00	12,930.47			(61.33)		12,833.67	13,030.20	161.06	0.00
GNMA	2001 A-E RMRB	5.49	10/13/05	10/20/35	21,340.31	22,102.63			(80.32)		21,259.99	22,255.22	232.91	0.00
GNMA	2001 A-E RMRB	5.49	12/19/05	12/20/35	24,105.25	24,967.82			(129.65)		23,975.60	25,099.43	261.26	0.00
GNMA	2001 A-E RMRB	5.49	11/17/05	11/20/35	26,023.87	26,954.32			(98.93)		25,924.94	27,139.39	284.00	0.00
GNMA	2001 A-E RMRB	4.80	11/22/05	10/20/35	24,236.81	23,990.32			(136.82)		24,099.99	24,156.66	303.16	0.00
GNMA	2001 A-E RMRB	4.80	12/22/05	12/20/35	21,787.31	21,845.76			(95.25)		21,692.06	22,022.76	272.25	0.00
GNMA	2001 A-E RMRB	5.49	12/29/05	11/20/35	18,967.25	19,646.06			(71.50)		18,895.75	19,781.57	207.01	0.00
GNMA	2001 A-E RMRB	5.49	01/12/06	01/20/36	8,195.77	8,487.34			(30.28)		8,165.49	8,547.37	90.31	0.00
FNMA	2001 A-E RMRB	5.49	05/29/03	04/01/33	27,647.25	28,540.19			(140.51)		27,506.74	28,664.04	264.36	0.00
FNMA	2001 A-E RMRB	4.80	09/18/03	07/01/33	8,281.62	8,436.83			(42.33)		8,239.29	8,447.37	52.87	0.00
FNMA	2001 A-E RMRB	5.49	12/04/03	11/01/33	6,103.05	6,300.74			(27.11)		6,075.94	6,332.16	58.53	0.00
FNMA	2001 A-E RMRB	4.80	01/15/04	11/01/33	31,281.32	31,869.27			(563.63)		30,717.69	31,495.17	189.53	0.00
FNMA	2001 A-E RMRB	4.80	02/26/04	01/01/34	10,567.12	10,755.98			(120.56)		10,446.56	10,701.42	66.00	0.00
FNMA	2001 A-E RMRB	5.49	04/08/04	06/01/33	7,330.78	7,568.38			(37.19)		7,293.59	7,601.29	70.10	0.00
FNMA	2001 A-E RMRB	5.49	09/01/04	08/01/34	26,561.74	27,517.57			(113.23)		26,448.51	27,667.08	262.74	0.00
FNMA	2001 A-E RMRB	4.80	09/23/04	08/01/34	6,487.56	6,604.12			(38.86)		6,448.70	6,606.64	41.38	0.00
FNMA	2001 A-E RMRB	4.80	11/10/04	10/01/34	6,633.28	6,752.60			(35.79)		6,597.49	6,759.20	42.39	0.00
FNMA	2001 A-E RMRB	5.49	07/14/05	05/01/35	4,174.98	4,303.45			(17.07)		4,157.91	4,327.82	41.44	0.00
FNMA	2001 A-E RMRB	4.80	07/14/05	04/01/35	8,125.89	8,124.13			(60.10)		8,065.79	8,116.58	52.55	0.00
FNMA	2001 A-E RMRB	5.49	11/03/05	10/01/35	26,398.31	27,211.98			(114.47)		26,283.84	27,359.20	261.69	0.00
FNMA	2001 A-E RMRB	4.80	12/15/05	10/01/35	7,763.61	7,760.27			(35.57)		7,728.04	7,775.03	50.33	0.00
	2001 A-E RMRB Total				43,435,063.92	44,906,923.39	1,841,843.13	(11,872.29)	(1,336,038.02)	0.00	43,928,996.74	45,751,616.58	350,760.37	0.00
Repo Agmt	2002 RMRB	0.18	05/29/09	06/01/09	0.15	0.15	0.00				0.15	0.15	-	0.00
Repo Agmt	2002 RMRB	0.18	05/29/09	06/01/09	3.23	3.23		(1.57)			1.66	1.66	-	0.00
GICs	2002 RMRB	4.20	12/18/02	04/01/34	939,708.58	939,708.58	736,200.39				1,675,908.97	1,675,908.97	-	0.00
GICs	2002 RMRB	4.20	12/18/02	04/01/34	9.92	9.92	0.00				9.92	9.92	-	0.00
GNMA	2002 RMRB	5.49	03/12/03	03/20/33	38,554.92	39,950.02			(177.23)		38,377.69	40,181.19	408.40	0.00
GNMA	2002 RMRB	5.49	03/20/03	02/20/33	93,313.43	96,689.93			(435.09)		92,878.34	97,242.98	988.14	0.00
GNMA	2002 RMRB	5.49	04/02/03	03/20/33	161,242.11	167,079.14			(939.40)		160,302.71	167,838.42	1,698.68	0.00
GNMA	2002 RMRB	4.80	04/02/03	03/20/33	88,115.21	89,920.42			(470.33)		87,644.88	90,533.64	1,083.55	0.00
GNMA	2002 RMRB	4.80	04/10/03	04/20/33	395,047.00	403,144.94			(2,013.37)		393,033.63	405,992.63	4,861.06	0.00
GNMA	2002 RMRB	5.49	04/17/03	04/20/33	360,701.39	373,764.86			(2,611.50)		358,089.89	374,929.34	3,775.98	0.00
GNMA	2002 RMRB	4.80	04/17/03	03/20/33	75,008.20	76,545.68			(446.94)		74,561.26	77,019.58	920.84	0.00
GNMA	2002 RMRB	4.80	04/24/03	04/20/33	88,814.09	90,635.57			(449.51)		88,364.58	91,279.03	1,092.97	0.00
GNMA	2002 RMRB	5.49	04/29/03	04/20/33	55,590.27	57,604.02			(257.88)		55,332.39	57,934.95	588.81	0.00
GNMA	2002 RMRB	4.80	04/29/03	03/20/33	75,972.52	77,530.39			(537.80)		75,434.72	77,922.48	929.89	0.00
GNMA	2002 RMRB	5.49	05/08/03	05/20/33	221,573.93	229,603.33			(1,024.99)		220,548.94	230,925.14	2,346.80	0.00
GNMA	2002 RMRB	5.49	05/15/03	05/20/33	119,636.70	123,972.70			(547.96)		119,088.72	124,692.12	1,267.40	0.00
GNMA	2002 RMRB	4.80	05/15/03	04/20/33	111,525.56	113,814.51			(610.58)		110,914.98	114,574.89	1,370.96	0.00
GNMA	2002 RMRB	5.49	05/22/03	05/20/33	296,105.69	306,839.01			(1,436.78)		294,668.91	308,535.31	3,133.08	0.00
GNMA	2002 RMRB	4.80	05/22/03	04/20/33	206,542.42	210,782.61			(1,047.91)		205,494.51	212,276.41	2,541.71	0.00
GNMA	2002 RMRB	5.49	05/29/03	05/20/33	47,130.96	48,839.58			(228.59)		46,902.37	49,109.69	498.70	0.00
GNMA	2002 RMRB	4.80	05/29/03	05/20/33	157,432.00	160,665.61			(799.50)		156,632.50	161,803.46	1,937.35	0.00
GNMA	2002 RMRB	5.49	06/10/03	05/20/33	89,308.79	92,547.39			(405.62)		88,903.17	93,088.05	946.28	0.00
GNMA	2002 RMRB	4.80	06/10/03	05/20/33	71,898.80	73,376.26			(404.55)		71,494.25	73,855.20	883.49	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	90,749.68	94,041.86			(45,221.99)		45,527.69	47,671.35	(1,148.32)	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	82,839.49	84,542.75			(413.77)		82,425.72	85,148.64	1,019.66	0.00
GNMA	2002 RMRB	5.49	06/19/03	06/20/33	103,201.04	106,944.73			(856.36)		102,344.68	107,163.61	1,075.24	0.00
GNMA	2002 RMRB	4.80	06/19/03	06/20/33	52,797.37	53,882.98			(268.72)		52,528.65	54,263.98	649.72	0.00
GNMA	2002 RMRB	5.49	06/26/03	06/20/33	40,162.67	41,619.77			(183.94)		39,978.73	41,861.30	425.47	0.00
GNMA	2002 RMRB	5.49	07/03/03	06/20/33	118,108.74	122,394.41			(1,015.71)		117,093.03	122,607.58	1,228.88	0.00
GNMA	2002 RMRB	5.49	07/10/03	06/20/33	121,593.33	126,006.09			(550.69)		121,042.64	126,743.84	1,288.44	0.00
GNMA	2002 RMRB	4.80	07/10/03	06/20/33	112,742.43	115,062.31			(566.86)		112,175.57	115,883.05	1,387.60	0.00
GNMA	2002 RMRB	4.80	07/17/03	06/20/33	408,495.40	416,903.04			(2,825.52)		405,669.88	419,079.73	5,002.21	0.00
GNMA	2002 RMRB	5.49	07/24/03	07/20/33	308,281.69	319,474.42			(2,104.08)		306,177.61	320,603.69	3,233.35	0.00
GNMA	2002 RMRB	4.80	07/24/03	07/20/33	309,979.78	316,362.95			(1,587.72)		308,392.06	318,589.48	3,814.25	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	07/30/03	07/20/33	93,661.28	97,062.19			(39,489.69)		54,171.59	56,724.17	(845.33)	0.00
GNMA	2002 RMRB	5.49	08/07/03	07/20/33	216,958.53	224,837.88			(1,279.94)		215,678.59	225,842.93	2,284.99	0.00
GNMA	2002 RMRB	4.80	08/07/03	06/20/33	85,878.60	87,647.50			(429.37)		85,449.23	88,275.19	1,057.06	0.00
GNMA	2002 RMRB	5.49	08/14/03	08/20/33	128,510.62	133,179.14			(580.48)		127,930.14	133,960.51	1,361.85	0.00
GNMA	2002 RMRB	4.80	08/14/03	07/20/33	250,042.48	255,195.29			(1,269.58)		248,772.90	257,002.83	3,077.12	0.00
GNMA	2002 RMRB	5.49	08/21/03	08/20/33	97,103.93	100,631.99			(47,607.80)		49,496.13	51,829.53	(1,194.66)	0.00
GNMA	2002 RMRB	4.80	08/28/03	08/20/33	101,319.83	103,409.36			(524.25)		100,795.58	104,131.67	1,246.56	0.00
GNMA	2002 RMRB	5.49	09/04/03	08/20/33	42,411.37	43,952.74			(226.41)		42,184.96	44,174.18	447.85	0.00
GNMA	2002 RMRB	5.49	09/18/03	09/20/33	264,738.63	274,364.59			(1,210.68)		263,527.95	275,958.73	2,804.82	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	268,586.53	274,131.41			(1,399.78)		267,186.75	276,035.84	3,304.21	0.00
GNMA	2002 RMRB	4.80	09/18/03	09/20/33	59,013.52	60,231.84			(289.45)		58,724.07	60,669.00	726.61	0.00
GNMA	2002 RMRB	5.49	09/29/03	09/20/33	342,876.71	355,346.59			(1,585.47)		341,291.24	357,392.98	3,631.86	0.00
GNMA	2002 RMRB	4.80	09/29/03	09/20/33	272,777.70	278,411.39			(1,434.10)		271,343.60	280,332.66	3,355.37	0.00
GNMA	2002 RMRB	5.49	10/16/03	09/20/33	78,511.82	81,368.16			(361.22)		78,150.60	81,838.66	831.72	0.00
GNMA	2002 RMRB	5.49	10/30/03	10/20/33	183,570.06	189,907.17			(814.66)		182,755.40	191,032.77	1,940.26	0.00
GNMA	2002 RMRB	4.80	10/30/03	10/20/33	1,468,067.51	1,494,772.80			(108,215.70)		1,359,851.81	1,401,471.13	14,914.03	0.00
GNMA	2002 RMRB	5.49	11/13/03	10/20/33	159,042.16	164,534.20			(996.71)		158,045.45	165,205.35	1,667.86	0.00
GNMA	2002 RMRB	4.80	11/13/03	10/20/33	826,551.62	843,653.82			(4,202.68)		822,348.94	849,623.29	10,172.15	0.00
GNMA	2002 RMRB	5.49	11/20/03	11/20/33	41,246.31	42,748.41			(237.96)		41,008.35	42,945.17	434.72	0.00
GNMA	2002 RMRB	4.80	11/20/03	11/20/33	1,206,947.01	1,228,927.12			(6,440.17)		1,200,506.84	1,237,275.48	14,788.53	0.00
GNMA	2002 RMRB	5.49	11/26/03	10/20/33	49,982.96	51,803.22			(610.28)		49,372.68	51,704.48	511.54	0.00
GNMA	2002 RMRB	4.80	11/26/03	11/20/33	416,156.29	424,773.43			(2,113.94)		414,042.35	427,781.15	5,121.66	0.00
GNMA	2002 RMRB	4.80	12/04/03	12/20/33	466,119.20	474,615.07			(2,994.75)		463,124.45	477,316.10	5,695.78	0.00
GNMA	2002 RMRB	5.49	12/04/03	11/20/33	39,740.27	41,188.00			(176.75)		39,563.52	41,432.54	421.29	0.00
GNMA	2002 RMRB	4.80	12/11/03	12/20/33	346,273.82	352,587.36			(2,293.31)		343,980.51	354,522.93	4,228.88	0.00
GNMA	2002 RMRB	5.49	12/11/03	09/20/33	82,846.11	85,863.70			(429.53)		82,416.58	86,309.53	875.36	0.00
GNMA	2002 RMRB	5.49	12/18/03	12/20/33	44,562.04	46,186.07			(197.12)		44,364.92	46,461.41	472.46	0.00
GNMA	2002 RMRB	4.80	12/18/03	12/20/33	333,952.41	340,874.62			(1,626.17)		332,326.24	343,360.80	4,112.35	0.00
GNMA	2002 RMRB	5.49	12/23/03	12/20/33	48,644.95	50,417.93			(212.96)		48,431.99	50,720.82	515.85	0.00
GNMA	2002 RMRB	4.80	12/23/03	12/20/33	44,319.42	45,127.90			(213.32)		44,106.10	45,458.29	543.71	0.00
GNMA	2002 RMRB	5.49	01/15/04	01/20/34	202,693.61	209,932.79			(1,635.31)		201,058.30	210,433.10	2,135.62	0.00
GNMA	2002 RMRB	5.49	01/22/04	01/20/34	315,978.11	326,672.37			(1,549.57)		314,428.54	328,488.91	3,366.11	0.00
GNMA	2002 RMRB	4.80	01/22/04	01/20/34	304,128.15	310,398.62			(1,517.27)		302,610.88	312,656.01	3,774.66	0.00
GNMA	2002 RMRB	5.49	01/29/04	01/20/34	47,353.65	49,045.37			(233.85)		47,119.80	49,317.35	505.84	0.00
GNMA	2002 RMRB	4.80	01/29/04	11/20/33	66,324.46	67,701.01			(331.08)		65,993.38	68,186.40	816.47	0.00
GNMA	2002 RMRB	4.80	02/12/04	01/20/34	162,144.11	165,086.12			(893.44)		161,250.67	166,194.84	2,002.16	0.00
GNMA	2002 RMRB	5.49	02/12/04	02/20/34	343,858.42	356,148.22			(1,524.52)		342,333.90	358,305.35	3,681.65	0.00
GNMA	2002 RMRB	4.80	02/26/04	02/20/34	213,493.94	217,370.90			(1,201.52)		212,292.42	216,804.86	2,635.48	0.00
GNMA	2002 RMRB	5.49	02/26/04	02/20/34	173,102.09	178,966.30			(770.15)		172,331.94	180,043.75	1,847.60	0.00
GNMA	2002 RMRB	4.80	03/11/04	03/20/34	201,839.55	205,507.74			(969.14)		200,870.41	207,035.35	2,496.75	0.00
GNMA	2002 RMRB	5.49	03/11/04	03/20/34	456,043.41	472,354.70			(2,522.74)		453,520.67	474,690.98	4,859.02	0.00
GNMA	2002 RMRB	5.49	03/25/04	03/20/34	228,404.41	236,148.06			(975.13)		227,429.28	237,612.68	2,439.75	0.00
GNMA	2002 RMRB	5.49	07/09/04	07/20/34	61,897.81	64,118.63			(288.71)		61,609.10	64,491.97	662.05	0.00
GNMA	2002 RMRB	4.80	07/08/04	06/20/34	77,513.12	78,929.96			(368.97)		77,144.15	79,520.00	959.01	0.00
GNMA	2002 RMRB	5.49	04/01/04	04/20/34	227,740.86	301,352.43			(383.22)		227,357.64	303,165.14	2,195.93	0.00
GNMA	2002 RMRB	4.80	04/22/04	04/20/34	246,263.78	251,361.69			(1,196.86)		245,066.92	253,222.53	3,057.70	0.00
GNMA	2002 RMRB	5.49	04/22/04	04/20/34	150,750.91	156,148.49			(717.65)		150,033.26	157,042.51	1,611.67	0.00
GNMA	2002 RMRB	4.80	04/29/04	04/20/34	178,043.34	181,286.57			(886.13)		177,157.21	182,601.92	2,201.48	0.00
GNMA	2002 RMRB	5.49	04/29/04	04/20/34	84,350.97	87,371.58			(375.17)		83,975.80	87,899.44	903.03	0.00
GNMA	2002 RMRB	4.80	05/06/04	04/20/34	139,088.51	141,969.23			(744.17)		138,344.34	142,949.77	1,724.71	0.00
GNMA	2002 RMRB	5.49	05/06/04	04/20/34	55,585.68	57,576.51			(235.04)		55,350.64	57,937.12	595.65	0.00
GNMA	2002 RMRB	4.80	05/13/04	04/20/34	87,275.34	89,083.47			(410.98)		86,864.36	89,756.57	1,084.08	0.00
GNMA	2002 RMRB	5.49	05/27/04	05/20/34	149,086.61	154,429.30			(683.94)		148,402.67	155,340.62	1,595.26	0.00
GNMA	2002 RMRB	5.49	06/03/04	05/20/34	52,573.68	54,458.03			(220.40)		52,353.28	54,801.10	563.47	0.00
GNMA	2002 RMRB	5.49	06/24/04	06/20/34	109,264.28	113,182.83			(455.67)		108,808.61	113,698.35	1,171.19	0.00
GNMA	2002 RMRB	5.49	09/02/04	08/20/34	128,488.38	132,863.59			(559.39)		127,928.99	133,676.32	1,372.12	0.00
GNMA	2002 RMRB	5.49	09/01/04	09/20/34	229,660.01	237,911.66			(946.76)		228,713.25	239,427.45	2,462.55	0.00
GNMA	2002 RMRB	5.49	09/16/04	09/20/34	135,520.14	140,391.09			(556.06)		134,964.08	141,288.15	1,453.12	0.00
GNMA	2002 RMRB	4.80	09/29/04	09/20/34	110,221.45	112,519.28			(502.26)		109,719.19	113,386.80	1,369.78	0.00
GNMA	2002 RMRB	5.49	09/29/04	09/20/34	132,784.83	137,558.84			(557.51)		132,227.32	138,424.55	1,423.22	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2002 RMRB	5.49	10/07/04	09/20/34	97,852.31	101,371.00			(410.86)		97,441.45	102,008.93	1,048.79	0.00
GNMA	2002 RMRB	4.80	10/07/04	09/20/34	108,307.18	110,565.78			(507.22)		107,799.96	111,404.10	1,345.54	0.00
GNMA	2002 RMRB	5.49	07/15/04	04/20/34	94,251.83	97,632.69			(402.29)		93,849.54	98,240.25	1,009.85	0.00
GNMA	2002 RMRB	5.49	07/22/04	07/20/34	91,634.72	94,923.41			(403.09)		91,231.63	95,501.57	981.25	0.00
GNMA	2002 RMRB	5.49	07/29/04	07/20/34	52,174.16	54,046.95			(215.90)		51,958.26	54,390.38	559.33	0.00
GNMA	2002 RMRB	5.49	08/05/04	08/20/34	208,175.90	215,650.41			(895.85)		207,280.05	216,984.73	2,230.17	0.00
GNMA	2002 RMRB	5.49	08/19/04	08/20/34	174,034.65	180,285.17			(1,050.68)		172,983.97	181,084.79	1,850.30	0.00
GNMA	2002 RMRB	5.49	08/26/04	08/20/34	106,776.35	110,611.96			(442.21)		106,334.14	111,314.46	1,144.71	0.00
GNMA	2002 RMRB	5.49	12/02/04	11/20/34	299,940.95	310,742.24			(1,271.04)		298,669.91	312,685.57	3,214.37	0.00
GNMA	2002 RMRB	4.80	12/02/04	11/20/34	203,843.52	208,104.84			(940.72)		202,902.80	209,697.09	2,532.97	0.00
GNMA	2002 RMRB	4.80	10/14/04	09/20/34	25,599.53	26,133.54			(139.19)		25,460.34	26,311.74	317.39	0.00
GNMA	2002 RMRB	4.80	10/28/04	09/20/34	78,871.28	80,320.88			(692.35)		78,178.93	80,594.51	965.98	0.00
GNMA	2002 RMRB	5.49	10/28/04	10/20/34	117,357.37	121,579.79			(484.37)		116,873.00	122,353.80	1,258.38	0.00
GNMA	2002 RMRB	5.49	12/29/04	12/20/34	192,930.90	199,883.65			(777.95)		192,152.95	201,175.18	2,069.48	0.00
GNMA	2002 RMRB	4.80	12/29/04	12/20/34	118,619.59	121,102.38			(530.84)		118,088.75	122,046.09	1,474.55	0.00
GNMA	2002 RMRB	5.49	01/06/05	01/20/35	88,571.42	91,712.34			(352.64)		88,218.78	92,325.40	965.70	0.00
GNMA	2002 RMRB	5.49	01/13/05	12/20/34	96,435.35	99,911.74			(397.31)		96,038.04	100,548.46	1,034.03	0.00
GNMA	2002 RMRB	5.49	01/27/05	01/20/35	353,174.00	365,042.07			(21,739.71)		331,434.29	346,229.95	2,927.59	0.00
GNMA	2002 RMRB	5.49	03/10/05	12/20/34	93,987.82	97,380.23			(377.59)		93,610.23	98,010.89	1,008.25	0.00
GNMA	2002 RMRB	5.49	05/05/05	03/20/35	52,168.84	54,024.27			(214.99)		51,953.85	54,377.73	568.45	0.00
GNMA	2002 RMRB	5.49	07/07/05	06/20/35	64,739.47	67,046.05			(302.61)		64,436.86	67,447.21	703.77	0.00
GNMA	2002 RMRB	4.80	07/07/05	06/20/35	68,541.39	68,736.18			(307.33)		68,234.06	69,285.28	856.43	0.00
GNMA	2002 RMRB	4.80	06/02/05	04/20/35	275,339.42	275,457.85			(1,511.88)		273,827.54	277,369.53	3,423.56	0.00
GNMA	2002 RMRB	5.49	09/08/05	08/20/35	112,255.65	116,051.06			(456.63)		111,799.02	116,813.19	1,218.76	0.00
GNMA	2002 RMRB	5.49	09/15/05	09/20/35	209,490.25	216,575.15			(821.31)		208,668.94	218,029.68	2,275.84	0.00
GNMA	2002 RMRB	5.49	08/04/05	08/20/35	277,763.09	287,667.36			(1,087.24)		276,675.85	289,609.82	3,029.70	0.00
GNMA	2002 RMRB	5.49	09/01/05	09/20/35	231,763.14	239,598.67			(876.27)		230,886.87	241,241.63	2,519.23	0.00
GNMA	2002 RMRB	4.80	10/13/05	09/20/35	105,589.92	105,897.75			(487.98)		105,101.94	106,512.95	1,303.18	0.00
GNMA	2002 RMRB	5.49	10/13/05	10/20/35	174,442.40	180,673.85			(656.56)		173,785.84	181,921.14	1,903.85	0.00
GNMA	2002 RMRB	5.49	12/19/05	12/20/35	197,043.82	204,094.79			(1,059.86)		195,983.96	205,170.62	2,135.69	0.00
GNMA	2002 RMRB	5.49	11/17/05	11/20/35	212,727.30	220,333.04			(808.74)		211,918.56	221,845.89	2,321.59	0.00
GNMA	2002 RMRB	4.80	11/22/05	10/20/35	195,573.30	196,104.35			(1,080.87)		194,492.43	197,464.06	2,440.58	0.00
GNMA	2002 RMRB	4.80	12/22/05	12/20/35	178,096.01	178,574.12			(778.57)		177,317.44	180,020.96	2,225.41	0.00
GNMA	2002 RMRB	5.49	12/29/05	11/20/35	155,044.19	160,593.06			(584.45)		154,459.74	161,700.77	1,692.16	0.00
GNMA	2002 RMRB	5.49	01/12/06	01/20/36	282,511.26	292,561.49			(1,043.89)		281,467.37	294,630.62	3,113.02	0.00
GNMA	2002 RMRB	5.49	03/09/06	03/20/36	262,960.25	272,328.77			(1,040.19)		261,920.06	274,183.05	2,894.47	0.00
GNMA	2002 RMRB	5.49	03/02/06	03/20/36	151,146.81	156,530.76			(556.62)		150,590.19	157,639.78	1,665.64	0.00
GNMA	2002 RMRB	5.49	02/23/06	02/20/36	283,855.13	293,963.85			(1,690.03)		282,165.10	295,371.72	3,097.90	0.00
GNMA	2002 RMRB	5.49	03/16/06	03/20/36	235,607.87	244,003.09			(1,059.83)		234,548.04	245,530.93	2,587.67	0.00
GNMA	2002 RMRB	5.49	03/30/06	03/20/36	241,966.82	250,135.14			(933.35)		241,033.47	251,860.84	2,659.05	0.00
GNMA	2002 RMRB	5.49	04/06/06	04/20/36	293,240.22	303,695.15			(1,208.22)		292,032.00	305,712.48	3,225.55	0.00
FNMA	2002 RMRB	5.49	05/29/03	04/01/33	225,997.18	233,296.41			(1,148.60)		224,848.58	234,308.79	2,160.98	0.00
FNMA	2002 RMRB	4.80	09/18/03	07/01/33	67,696.45	68,965.33			(346.08)		67,350.37	69,051.51	432.26	0.00
FNMA	2002 RMRB	5.49	12/04/03	11/01/33	49,888.66	51,504.27			(221.56)		49,667.10	51,761.10	478.39	0.00
FNMA	2002 RMRB	4.80	01/15/04	11/01/33	255,702.97	260,509.42			(4,607.24)		251,095.73	257,451.35	1,549.17	0.00
FNMA	2002 RMRB	4.80	02/26/04	01/01/34	86,378.80	87,922.71			(985.52)		85,393.28	87,476.75	539.56	0.00
FNMA	2002 RMRB	5.49	04/08/04	06/01/33	59,923.54	61,866.39			(303.99)		59,619.55	62,135.37	572.97	0.00
FNMA	2002 RMRB	5.49	09/02/04	08/01/34	217,124.23	224,937.24			(925.53)		216,198.70	226,159.37	2,147.66	0.00
FNMA	2002 RMRB	4.80	09/01/04	08/01/34	53,031.76	53,984.18			(317.67)		52,714.09	54,004.79	338.28	0.00
FNMA	2002 RMRB	4.80	11/10/04	10/01/34	54,222.42	55,197.84			(292.67)		53,929.75	55,251.84	346.67	0.00
FNMA	2002 RMRB	5.49	07/14/05	05/01/35	34,127.68	35,177.80			(139.48)		33,988.20	35,376.98	338.66	0.00
FNMA	2002 RMRB	4.80	07/14/05	04/01/35	66,423.49	66,409.22			(491.24)		65,932.25	66,347.48	429.50	0.00
FNMA	2002 RMRB	5.49	11/03/05	10/01/35	215,787.97	222,439.27			(935.79)		214,852.18	223,642.70	2,139.22	0.00
FNMA	2002 RMRB	4.80	12/15/05	10/01/35	63,462.35	63,434.86			(290.79)		63,171.56	63,555.52	411.45	0.00
FNMA	2002 RMRB	5.49	04/27/06	03/01/36	135,330.04	139,384.09			(499.00)		134,831.04	140,168.54	1,283.45	0.00
Repo Agmt	2002 RMRB	0.18	05/29/09	06/01/09	6,093.33	6,093.33	2.99				6,096.32	6,096.32	-	0.00
	2002 RMRB Total				27,029,671.04	27,808,428.46	736,203.38	(1.57)	(386,222.14)	0.00	27,379,650.71	28,442,097.66	283,689.53	0.00
Repo Agmt	1999 B-D RMRB	0.18	05/29/09	06/01/09	2.65	2.65		(1.74)			0.91	0.91	-	0.00
GICs	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,700,123.93	1,700,123.93	675,133.28				2,375,257.21	2,375,257.21	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GICs	1999 B-D RMRB	6.40	12/02/99	07/01/32	1,879,201.01	1,879,201.01	0.00				1,879,201.01	1,879,201.01	-	0.00
GNMA	1999 B-D RMRB	8.18	08/01/90	06/20/20	162,964.51	174,653.50			(3,064.82)		159,899.69	171,837.41	248.73	0.00
GNMA	1999 B-D RMRB	7.18	08/01/90	06/20/20	63,144.71	67,380.39			(1,190.75)		61,953.96	66,684.23	494.59	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	181,205.27	194,205.35			(3,195.77)		178,009.50	191,301.97	292.39	0.00
GNMA	1999 B-D RMRB	8.18	07/02/90	05/20/20	12,319.93	13,203.44			(1,053.07)		11,266.86	12,107.85	(42.52)	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	158,953.36	170,361.81			(4,434.12)		154,519.24	166,062.25	134.56	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	08/20/20	115,798.33	124,107.14			(2,801.01)		112,997.32	121,436.27	130.14	0.00
GNMA	1999 B-D RMRB	8.18	09/04/90	07/20/20	97,594.70	104,596.42			(2,095.75)		95,498.95	102,630.17	129.50	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	08/20/20	107,152.00	114,841.48			(1,389.77)		105,762.23	113,661.93	210.22	0.00
GNMA	1999 B-D RMRB	8.18	11/01/90	09/20/20	65,827.23	70,551.83			(1,297.22)		64,530.01	69,350.61	96.00	0.00
GNMA	1999 B-D RMRB	7.18	11/01/90	09/20/20	78,103.60	83,346.15			(1,310.68)		76,792.92	82,659.57	624.10	0.00
GNMA	1999 B-D RMRB	8.18	12/03/90	10/20/20	9,141.39	9,797.69			(411.63)		8,729.76	9,382.10	(3.96)	0.00
GNMA	1999 B-D RMRB	8.75	12/28/89	09/20/18	821,014.85	878,213.92			(16,317.12)		804,697.73	863,785.73	1,888.93	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	10/20/18	85,918.36	91,904.76			(1,712.93)		84,205.43	90,369.04	197.21	0.00
GNMA	1999 B-D RMRB	8.75	11/30/89	09/20/18	87,003.94	93,065.07			(1,638.37)		85,365.57	91,633.47	206.77	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	11/20/18	194,348.17	207,892.39			(4,887.01)		189,461.16	203,377.19	371.81	0.00
GNMA	1999 B-D RMRB	8.75	01/01/90	12/20/18	19,940.72	21,330.58			(777.66)		19,163.06	20,570.75	17.83	0.00
GNMA	1999 B-D RMRB	8.75	02/27/90	01/20/19	95,073.99	101,852.19			(1,911.64)		93,162.35	100,119.01	178.46	0.00
GNMA	1999 B-D RMRB	8.75	05/29/90	04/20/19	120,772.21	129,388.00			(2,899.86)		117,872.35	126,679.64	191.50	0.00
GNMA	1999 B-D RMRB	8.75	06/28/90	05/20/19	44,191.96	47,345.31			(700.97)		43,490.99	46,741.28	96.94	0.00
GNMA	1999 B-D RMRB	7.18	02/01/91	11/20/20	99,094.42	105,749.54			(2,947.24)		96,147.18	103,495.95	693.65	0.00
GNMA	1999 B-D RMRB	8.18	02/25/91	11/20/20	62,023.19	66,477.26			(920.62)		61,102.57	65,669.53	112.89	0.00
GNMA	1999 B-D RMRB	7.18	05/02/91	02/20/21	61,649.68	66,085.59			(852.66)		60,997.02	65,771.95	539.02	0.00
GNMA	1999 B-D RMRB	8.75	09/28/90	08/20/19	82,718.37	88,624.59			(14,936.78)		67,781.59	72,850.39	(837.42)	0.00
GNMA	1999 B-D RMRB	8.75	10/23/90	09/20/19	36,514.95	39,122.70			(545.57)		35,969.38	38,659.71	82.58	0.00
GNMA	1999 B-D RMRB	8.75	11/28/90	09/20/19	86,949.44	93,159.59			(985.85)		85,963.59	92,393.78	220.04	0.00
GNMA	1999 B-D RMRB	8.75	12/21/90	09/20/19	46,766.91	50,107.39			(427.71)		46,339.20	49,805.71	126.03	0.00
GNMA	1999 B-D RMRB	8.75	01/25/91	12/20/19	75,207.70	80,582.38			(839.78)		74,367.92	79,933.89	191.29	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	02/20/20	40,401.47	43,401.71			(1,414.76)		38,986.71	41,998.78	11.83	0.00
GNMA	1999 B-D RMRB	8.75	03/28/91	12/20/19	51,239.26	54,901.61			(631.93)		50,607.33	54,395.51	125.83	0.00
GNMA	1999 B-D RMRB	8.18	05/02/91	03/20/21	141,547.52	151,763.36			(2,284.71)		139,262.81	149,634.01	155.36	0.00
GNMA	1999 B-D RMRB	6.10	07/28/00	07/20/30	1,290,376.79	1,350,005.10			(7,970.75)		1,282,406.04	1,369,430.11	27,395.76	0.00
FNMA	1999 B-D RMRB	6.10	04/28/00	04/01/30	117,979.23	123,120.76			(725.79)		117,253.44	124,567.70	2,172.73	0.00
GNMA	1999 B-D RMRB	6.10	04/20/00	04/20/30	755,281.59	790,183.14			(5,877.09)		749,404.50	800,259.08	15,953.03	0.00
GNMA	1999 B-D RMRB	6.10	04/27/00	04/20/30	843,703.55	882,691.03			(7,933.22)		835,770.33	892,485.65	17,727.84	0.00
GNMA	1999 B-D RMRB	6.10	06/26/00	06/20/30	1,154,098.55	1,207,429.38			(66,893.22)		1,087,205.33	1,160,983.05	20,446.89	0.00
GNMA	1999 B-D RMRB	6.10	05/30/00	03/20/30	1,639,670.30	1,715,439.50			(10,342.13)		1,629,328.17	1,739,894.40	34,797.03	0.00
FNMA	1999 B-D RMRB	6.10	05/30/00	05/01/30	204,178.70	213,076.80			(2,208.25)		201,970.45	214,569.36	3,700.81	0.00
FNMA	1999 B-D RMRB	6.10	06/26/00	06/01/30	89,975.32	93,896.44			(936.70)		89,038.62	94,592.84	1,633.10	0.00
GNMA	1999 B-D RMRB	6.10	09/14/00	08/20/30	2,288,273.32	2,394,014.36			(15,138.25)		2,273,135.07	2,427,389.94	48,513.83	0.00
GNMA	1999 B-D RMRB	6.10	10/19/00	09/20/30	813,539.88	851,133.58			(8,900.65)		804,639.23	859,242.07	17,009.14	0.00
GNMA	1999 B-D RMRB	6.10	10/23/00	10/20/30	310,176.77	324,510.04			(1,749.91)		308,426.86	329,356.71	6,596.58	0.00
GNMA	1999 B-D RMRB	6.10	10/27/00	10/20/30	249,137.33	260,649.94			(1,672.63)		247,464.70	264,257.64	5,280.33	0.00
GNMA	1999 B-D RMRB	6.10	10/30/00	10/20/30	196,442.28	205,519.84			(1,118.44)		195,323.84	208,578.47	4,177.07	0.00
GNMA	1999 B-D RMRB	6.10	01/16/01	12/20/30	100,545.22	105,191.41			(1,029.09)		99,516.13	106,269.29	2,106.97	0.00
GNMA	1999 B-D RMRB	6.10	01/29/01	12/20/30	53,914.60	56,405.99			(424.51)		53,490.09	57,119.92	1,138.44	0.00
GNMA	1999 B-D RMRB	6.10	12/21/00	11/20/30	512,344.26	536,019.64			(3,788.81)		508,555.45	543,065.98	10,835.15	0.00
GNMA	1999 B-D RMRB	6.10	12/27/00	12/20/30	234,618.55	245,460.26			(2,131.69)		232,486.86	248,263.41	4,934.84	0.00
GNMA	1999 B-D RMRB	6.10	02/20/01	01/20/31	59,800.41	62,567.35			(325.36)		59,475.05	63,480.67	1,238.68	0.00
GNMA	1999 B-D RMRB	6.10	03/15/01	03/20/31	194,715.58	203,725.06			(1,170.83)		193,544.75	206,579.97	4,025.74	0.00
GNMA	1999 B-D RMRB	6.10	03/29/01	03/20/31	101,799.21	106,509.45			(528.15)		101,271.06	108,091.66	2,110.36	0.00
GNMA	1999 B-D RMRB	6.10	05/10/01	04/20/31	563,833.37	589,921.92			(74,892.51)		488,940.86	521,871.02	6,841.61	0.00
FNMA	1999 B-D RMRB	6.10	09/11/00	08/01/30	727,193.12	758,884.21			(5,989.58)		721,203.54	766,192.23	13,297.60	0.00
FNMA	1999 B-D RMRB	6.10	10/06/00	10/01/30	100,498.58	104,878.30			(1,778.80)		98,719.78	104,877.90	1,778.40	0.00
GNMA	1999 B-D RMRB	6.10	05/30/01	05/20/31	252,548.20	264,233.59			(1,785.55)		250,762.65	267,651.49	5,203.45	0.00
GNMA	1999 B-D RMRB	6.10	06/18/01	04/20/31	199,414.69	208,641.60			(1,455.72)		197,958.97	211,291.50	4,105.62	0.00
GNMA	1999 B-D RMRB	6.10	07/25/01	06/20/31	424,870.68	444,529.44			(3,176.59)		421,694.09	450,095.18	8,742.33	0.00
GNMA	1999 B-D RMRB	6.10	08/31/01	08/20/31	431,102.55	451,049.68			(2,240.00)		428,862.55	457,746.46	8,936.78	0.00
FNMA	1999 B-D RMRB	6.10	12/27/00	11/01/30	136,950.04	142,918.30			(1,542.72)		135,407.32	143,854.01	2,478.43	0.00
FNMA	1999 B-D RMRB	6.10	01/12/01	12/01/30	39,839.55	41,575.75			(1,059.05)		38,780.50	41,199.62	682.92	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
FNMA	1999 B-D RMRB	6.10	02/05/01	01/01/31	240,112.33	250,576.41			(2,084.69)		238,027.64	252,875.80	4,384.08	0.00
GNMA	1999 B-D RMRB	6.10	12/27/01	10/20/31	51,353.62	53,729.75			(503.62)		50,850.00	54,274.74	1,048.61	0.00
GNMA	1999 B-D RMRB	6.10	09/20/01	08/20/31	233,336.20	244,132.64			(2,107.00)		231,229.20	246,802.45	4,776.81	0.00
GNMA	1999 B-D RMRB	6.10	10/17/01	09/20/31	172,609.74	180,596.39			(913.25)		171,696.49	183,260.24	3,577.10	0.00
GNMA	1999 B-D RMRB	6.10	10/30/01	05/20/31	40,216.10	42,076.89			(280.17)		39,935.93	42,625.61	828.89	0.00
FNMA	1999 B-D RMRB	6.10	03/15/01	02/01/31	226,505.05	236,376.14			(2,120.58)		224,384.47	238,381.57	4,126.01	0.00
GNMA	1999 B-D RMRB	6.10	02/25/02	02/20/32	732,606.08	766,734.99			(4,284.19)		728,521.89	776,524.18	14,073.38	0.00
GNMA	1999 B-D RMRB	6.10	05/24/02	05/20/32	229,212.70	239,825.24			(1,199.96)		228,012.74	243,036.49	4,411.21	0.00
GNMA	1999 B-D RMRB	6.10	03/21/02	03/20/32	319,448.36	334,238.85			(2,078.07)		317,370.29	338,281.86	6,121.08	0.00
GNMA	1999 B-D RMRB	6.10	04/17/02	03/20/32	559,406.90	585,307.37			(3,214.54)		556,192.36	592,839.82	10,746.99	0.00
GNMA	1999 B-D RMRB	6.10	04/29/02	04/20/32	474,512.95	496,482.89			(2,670.24)		471,842.71	502,932.42	9,119.77	0.00
GNMA	1999 B-D RMRB	6.10	06/03/02	05/20/32	300,184.77	314,083.32			(1,427.95)		298,756.82	318,441.90	5,786.53	0.00
GNMA	1999 B-D RMRB	6.10	06/19/02	04/20/32	203,920.22	213,361.72			(938.16)		202,982.06	216,356.54	3,932.98	0.00
GNMA	1999 B-D RMRB	6.10	06/28/02	06/20/32	58,619.15	61,333.21			(269.15)		58,350.00	62,194.67	1,130.61	0.00
GNMA	1999 B-D RMRB	6.10	11/12/02	10/20/32	88,984.94	93,104.94			(396.83)		88,588.11	94,425.18	1,717.07	0.00
GNMA	1999 B-D RMRB	6.10	01/30/03	01/20/33	103,877.97	108,469.37			(450.34)		103,427.63	109,711.89	1,692.86	0.00
FNMA	1999 B-D RMRB	6.10	10/17/01	09/01/31	75,987.05	79,251.45			(472.51)		75,514.54	80,206.25	1,427.31	0.00
FNMA	1999 B-D RMRB	6.10	01/28/02	11/01/31	197,007.59	205,471.03			(1,010.77)		195,996.82	208,174.10	3,713.84	0.00
FNMA	1999 B-D RMRB	6.10	04/17/02	02/01/32	33,953.31	35,373.57			(159.15)		33,794.16	35,851.54	637.12	0.00
Repo Agmt	1999 B-D RMRB	0.18	05/29/09	06/01/09	310.37	310.37	0.00				310.37	310.37	-	0.00
	1999 B-D RMRB Total				25,313,297.35	26,392,359.13	675,133.28	(1.74)	(341,244.92)	0.00	25,647,183.97	27,100,243.76	373,998.01	0.00
Repo Agmt	2000 A RMRB	0.18	05/29/09	06/01/09	51,334.21	51,334.21	24.65				51,358.86	51,358.86	-	0.00
Repo Agmt	2000 A RMRB	0.18	05/29/09	06/01/09	2.29	2.29	193,304.86				193,307.15	193,307.15	-	0.00
GICs	2000 A RMRB	6.51	05/01/00	07/01/31	617,152.36	617,152.36	596,696.85				1,213,849.21	1,213,849.21	-	0.00
Repo Agmt	2000 A RMRB				0.12	0.12		(0.12)					-	0.00
GICs	2000 A RMRB	6.51	05/01/00	07/01/31	313,768.41	313,768.41	0.12				313,768.53	313,768.53	-	0.00
GNMA	2000 A RMRB	6.45	07/28/00	07/20/30	326,704.57	344,405.36			(1,744.98)		324,959.59	349,133.27	6,472.89	0.00
GNMA	2000 A RMRB	6.45	09/14/00	08/20/30	1,775,450.65	1,871,644.53			(12,185.18)		1,763,265.47	1,894,434.76	34,975.41	0.00
GNMA	2000 A RMRB	6.45	10/16/00	09/20/30	327,821.16	345,582.46			(65,278.35)		262,542.81	282,073.34	1,769.23	0.00
GNMA	2000 A RMRB	6.45	10/23/00	10/20/30	505,103.42	532,469.90			(89,160.49)		415,942.93	446,884.89	3,575.48	0.00
GNMA	2000 A RMRB	6.45	10/30/00	10/20/30	410,844.13	433,103.64			(2,630.13)		408,214.00	438,581.02	8,107.51	0.00
FNMA	2000 A RMRB	6.45	07/28/00	06/01/30	144,124.46	151,874.02			(925.66)		143,198.80	154,315.32	3,366.96	0.00
GNMA	2000 A RMRB	6.45	01/08/01	12/20/30	157,701.61	166,245.86			(603.04)		156,898.57	168,570.23	3,127.41	0.00
GNMA	2000 A RMRB	6.45	01/29/01	01/20/31	109,702.49	115,658.21			(1,998.55)		107,703.94	115,647.08	1,987.42	0.00
GNMA	2000 A RMRB	6.45	11/16/00	11/20/30	688,023.51	725,300.62			(4,185.43)		683,838.08	734,708.78	13,593.59	0.00
GNMA	2000 A RMRB	6.45	11/29/00	11/20/30	309,076.68	325,822.45			(1,804.19)		307,272.49	330,130.50	6,112.24	0.00
GNMA	2000 A RMRB	6.45	12/21/00	11/20/30	296,061.62	312,102.21			(7,871.38)		288,190.24	309,628.68	5,397.85	0.00
GNMA	2000 A RMRB				69,194.73	72,943.75			(69,194.73)				(3,749.02)	0.00
GNMA	2000 A RMRB	6.45	02/20/01	01/20/31	213,699.69	225,301.45			(2,791.09)		210,908.60	226,463.11	3,952.75	0.00
GNMA	2000 A RMRB	6.45	02/28/01	02/20/31	346,397.05	365,202.92			(113,570.75)		232,826.30	249,997.22	(1,634.95)	0.00
GNMA	2000 A RMRB	6.45	03/15/01	06/20/31	315,340.62	332,460.47			(1,853.95)		313,486.67	336,606.32	5,999.80	0.00
GNMA	2000 A RMRB	6.45	03/29/01	02/20/31	95,080.55	100,242.47			(575.13)		94,505.42	101,475.19	1,807.85	0.00
GNMA	2000 A RMRB	6.45	04/30/01	04/20/31	178,734.63	188,438.15			(884.41)		177,850.22	190,966.70	3,412.96	0.00
FNMA	2000 A RMRB	6.45	09/11/00	08/01/30	333,604.86	351,542.77			(1,919.70)		331,685.16	357,433.86	7,810.79	0.00
FNMA	2000 A RMRB	6.45	10/06/00	09/01/30	27,661.42	29,148.77			(142.76)		27,518.66	29,654.93	648.92	0.00
FNMA	2000 A RMRB	6.45	11/16/00	10/01/30	66,111.53	69,666.34			(391.77)		65,719.76	70,821.58	1,547.01	0.00
GNMA	2000 A RMRB	6.45	05/30/01	05/30/31	398,149.69	419,765.44			(2,040.02)		396,109.67	425,322.96	7,597.54	0.00
GNMA	2000 A RMRB	6.45	06/18/01	03/20/31	205,278.80	216,423.38			(1,334.27)		203,944.53	218,985.43	3,896.32	0.00
GNMA	2000 A RMRB	6.45	07/16/01	06/20/31	123,157.99	129,844.23			(734.85)		122,423.14	131,451.84	2,342.46	0.00
GNMA	2000 A RMRB	6.45	08/08/01	07/20/31	127,772.23	134,708.98			(751.94)		127,020.29	136,388.03	2,430.99	0.00
GNMA	2000 A RMRB	6.45	08/31/01	08/20/31	158,254.27	166,845.85			(59,682.89)		98,571.38	105,840.99	(1,321.97)	0.00
FNMA	2000 A RMRB	6.45	12/27/00	11/01/30	199,272.15	209,987.02			(1,144.43)		198,127.72	213,508.38	4,665.79	0.00
FNMA	2000 A RMRB	6.45	02/05/01	01/01/31	80,420.08	84,744.26			(702.59)		79,717.49	85,905.95	1,864.28	0.00
GNMA	2000 A RMRB	6.45	11/29/01	11/20/31	387,056.64	408,069.87			(2,128.17)		384,928.47	413,316.85	7,375.15	0.00
GNMA	2000 A RMRB	6.45	12/17/01	11/20/31	156,230.71	164,712.45			(4,063.58)		152,167.13	163,389.43	2,740.56	0.00
GNMA	2000 A RMRB	6.45	12/27/01	12/20/31	418,074.76	440,772.03			(2,126.73)		415,948.03	446,624.20	7,978.90	0.00
GNMA	2000 A RMRB	6.45	09/25/01	09/20/31	169,098.46	178,278.80			(82,156.88)		86,941.58	93,353.50	(2,768.42)	0.00
GNMA	2000 A RMRB	6.45	09/28/01	09/20/31	553,208.88	583,242.58			(3,683.98)		549,524.90	590,052.34	10,493.74	0.00
GNMA	2000 A RMRB	6.45	10/17/01	10/20/31	262,817.72	277,086.06			(5,938.94)		256,878.78	275,823.56	4,676.44	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2000 A RMRB	6.45	10/30/01	10/20/31	253,405.86	267,163.29			(1,186.10)		252,219.76	270,820.98	4,843.79	0.00
GNMA	2000 A RMRB	6.45	11/15/01	11/20/31	190,097.57	200,417.99			(1,100.93)		188,996.64	202,935.17	3,618.11	0.00
FNMA	2000 A RMRB	6.45	03/29/01	02/01/31	111,662.91	117,667.02			(3,171.90)		108,491.01	116,913.16	2,418.04	0.00
GNMA	2000 A RMRB	6.45	01/22/02	01/20/32	545,128.64	574,734.55			(3,781.41)		541,347.23	580,031.87	9,078.73	0.00
GNMA	2000 A RMRB	6.45	01/30/02	12/20/31	45,465.72	47,934.05			(206.14)		45,259.58	48,597.47	869.56	0.00
GNMA	2000 A RMRB	6.45	02/25/02	02/20/32	1,146,127.46	1,208,373.62			(7,964.66)		1,138,162.80	1,219,495.89	19,086.93	0.00
FNMA	2000 A RMRB	6.45	07/12/01	06/01/31	39,489.14	41,587.59			(190.74)		39,298.40	42,305.12	908.27	0.00
GNMA	2000 A RMRB	6.45	05/15/02	04/20/32	86,402.90	91,095.44			(409.09)		85,993.81	92,138.92	1,452.57	0.00
GNMA	2000 A RMRB	6.45	05/24/02	05/20/32	200,771.54	211,675.44			(1,040.76)		199,730.78	214,003.53	3,368.85	0.00
GNMA	2000 A RMRB	6.45	03/21/02	02/20/32	376,091.95	396,517.53			(1,859.45)		374,232.50	400,975.19	6,317.11	0.00
GNMA	2000 A RMRB	6.45	04/17/02	03/20/32	323,899.19	341,490.12			(2,239.86)		321,659.33	344,645.06	5,394.80	0.00
GNMA	2000 A RMRB	6.45	04/29/02	04/20/32	88,842.22	93,667.23			(406.22)		88,436.00	94,755.63	1,494.62	0.00
GNMA	2000 A RMRB	6.45	05/15/02	03/20/32	64,212.47	67,699.84			(297.76)		63,914.71	68,482.05	1,079.97	0.00
GNMA	2000 A RMRB	6.45	08/29/02	08/20/32	61,884.30	65,245.23			(266.10)		61,618.20	66,021.43	1,042.30	0.00
GNMA	2000 A RMRB	6.45	06/03/02	05/20/32	58,510.08	61,687.76			(778.70)		57,731.38	61,856.86	947.80	0.00
GNMA	2000 A RMRB	6.45	07/05/02	03/20/32	34,835.39	36,727.29			(601.95)		34,233.44	36,679.76	554.42	0.00
GNMA	2000 A RMRB	6.45	08/01/02	05/20/32	59,125.71	62,336.82			(258.12)		58,867.59	63,074.26	995.56	0.00
GNMA	2000 A RMRB	6.45	11/12/02	11/20/32	127,521.01	134,446.67			(544.20)		126,976.81	136,050.57	2,148.10	0.00
GNMA	2000 A RMRB	6.45	10/21/02	10/20/32	71,204.79	75,071.92			(301.37)		70,903.42	75,970.17	1,199.62	0.00
GNMA	2000 A RMRB	6.45	11/26/02	11/20/32	37,715.57	39,763.90			(273.45)		37,442.12	40,117.73	627.28	0.00
GNMA	2000 A RMRB	6.45	12/30/02	12/20/32	64,422.22	67,920.99			(268.96)		64,153.26	68,737.65	1,085.62	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	75,394.06	79,156.22			(337.14)		75,056.92	79,772.74	953.66	0.00
GNMA	2000 A RMRB	6.45	01/23/03	01/20/33	50,213.82	52,719.48			(348.09)		49,865.73	52,998.79	627.40	0.00
FNMA	2000 A RMRB	6.45	09/28/01	09/01/31	150,510.13	158,508.23			(1,077.38)		149,432.75	160,865.84	3,434.99	0.00
FNMA	2000 A RMRB	6.45	10/17/01	09/01/31	154,620.67	162,837.21			(738.83)		153,881.84	165,655.33	3,556.95	0.00
FNMA	2000 A RMRB	6.45	12/27/01	11/01/31	76,208.90	80,258.63			(1,720.12)		74,488.78	80,187.91	1,649.40	0.00
FNMA	2000 A RMRB	6.45	04/17/02	03/01/32	114,785.34	120,806.97			(766.97)		114,018.37	122,599.39	2,559.39	0.00
Repo Agmt	2000 A RMRB	0.18	05/29/09	06/01/09	401.93	401.93	0.00				401.93	401.93	-	0.00
	2000 A RMRB Total				15,526,440.64	16,313,807.65	790,026.48	(0.12)	(578,537.34)	0.00	15,737,929.66	16,766,864.39	241,567.72	0.00
Repo Agmt	2003A RMRB	0.18	05/29/09	06/01/09	14.83	14.83	0.00				14.83	14.83	-	0.00
Repo Agmt	2003A RMRB	0.18	05/29/09	06/01/09	1,114,773.94	1,114,773.94	1,311,511.26				2,426,285.20	2,426,285.20	-	0.00
Repo Agmt	2003A RMRB	0.18	05/29/09	06/01/09	0.77	0.77	0.00				0.77	0.77	-	0.00
GNMA	2003A RMRB	4.49	03/25/04	03/20/34	8,713,006.40	8,817,867.82			(48,655.91)		8,664,350.49	8,819,873.54	50,661.63	0.00
GNMA	2003A RMRB	4.49	03/30/04	03/20/34	1,626,929.31	1,645,514.46			(8,648.14)		1,618,281.17	1,647,333.93	9,467.61	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	1,007,990.45	1,020,219.36			(5,795.03)		1,002,195.42	1,020,283.32	5,858.99	0.00
GNMA	2003A RMRB	5.49	07/08/04	06/20/34	161,712.34	167,513.53			(801.98)		160,910.36	168,438.97	1,727.42	0.00
GNMA	2003A RMRB	4.49	07/08/04	07/20/34	171,570.09	174,125.59			(1,226.09)		170,344.00	174,026.40	1,126.90	0.00
GNMA	2003A RMRB	5.49	07/08/04	07/20/34	164,572.74	170,168.58			(81,330.52)		83,242.22	86,977.89	(1,860.17)	0.00
GNMA	2003A RMRB	4.49	04/08/04	04/20/34	1,313,545.21	1,333,002.61			(9,742.64)		1,303,802.57	1,331,878.61	8,618.64	0.00
GNMA	2003A RMRB	4.49	04/15/04	04/20/34	945,948.36	959,965.43			(5,097.71)		940,850.65	961,115.75	6,248.03	0.00
GNMA	2003A RMRB	5.49	04/15/04	04/20/34	60,505.65	62,671.71			(272.07)		60,233.58	63,047.25	647.61	0.00
GNMA	2003A RMRB	4.49	04/22/04	04/20/34	1,017,615.09	1,032,699.32			(5,289.10)		1,012,325.99	1,034,135.82	6,725.60	0.00
GNMA	2003A RMRB	4.49	04/29/04	04/20/34	1,024,925.16	1,037,291.53			(5,235.98)		1,019,689.18	1,038,023.72	5,968.17	0.00
GNMA	2003A RMRB	5.49	04/29/04	04/20/34	58,025.52	60,103.40			(245.07)		57,780.45	60,480.14	621.81	0.00
GNMA	2003A RMRB	4.49	05/06/04	05/20/34	637,956.01	645,659.88			(3,189.12)		634,766.89	646,186.88	3,716.12	0.00
GNMA	2003A RMRB	4.49	05/13/04	05/20/34	507,139.62	513,266.36			(2,979.25)		504,160.37	513,233.22	2,946.11	0.00
GNMA	2003A RMRB	5.49	05/01/04	04/20/34	90,324.66	93,559.35			(876.58)		89,448.08	93,627.57	944.80	0.00
GNMA	2003A RMRB	4.49	05/20/04	05/20/34	1,070,408.87	1,083,345.91			(5,438.73)		1,064,970.14	1,084,140.76	6,233.58	0.00
GNMA	2003A RMRB	4.49	05/27/04	05/20/34	623,844.06	631,387.11			(3,129.06)		620,715.00	631,892.39	3,634.34	0.00
GNMA	2003A RMRB	4.49	06/03/04	06/20/34	907,641.56	918,625.24			(4,490.98)		903,150.58	919,422.14	5,287.88	0.00
GNMA	2003A RMRB	4.49	06/10/04	06/20/34	529,087.11	535,492.49			(2,740.88)		526,346.23	535,832.37	3,080.76	0.00
GNMA	2003A RMRB	4.49	06/17/04	06/20/34	1,133,587.23	1,147,317.92			(5,852.09)		1,127,735.14	1,148,065.68	6,599.85	0.00
GNMA	2003A RMRB	4.49	06/24/04	06/20/34	1,218,541.99	1,233,307.89			(6,190.54)		1,212,351.45	1,234,213.64	7,096.29	0.00
GNMA	2003A RMRB	5.49	06/24/04	06/20/34	905,362.11	937,851.89			(3,897.00)		901,485.11	943,653.91	9,699.02	0.00
GNMA	2003A RMRB	4.49	09/02/04	08/20/34	128,508.53	130,073.76			(637.80)		127,870.73	130,184.61	748.65	0.00
GNMA	2003A RMRB	5.49	09/09/04	09/20/34	76,645.32	79,399.66			(534.71)		76,110.61	79,676.54	811.59	0.00
GNMA	2003A RMRB	4.49	09/09/04	09/20/34	149,269.78	151,089.25			(783.08)		148,486.70	151,175.17	869.00	0.00
GNMA	2003A RMRB	5.49	09/16/04	09/20/34	163,154.03	169,018.19			(667.70)		162,486.33	170,099.99	1,749.50	0.00
GNMA	2003A RMRB	4.49	09/16/04	09/20/34	1,084,583.02	1,097,809.80			(15,719.14)		1,068,863.88	1,088,221.96	6,131.30	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	09/23/04	09/20/34	73,159.00	75,788.90			(310.89)		72,848.11	76,261.96	783.95	0.00
GNMA	2003A RMRB	4.49	09/23/04	09/20/34	188,849.62	191,675.43			(947.22)		187,902.40	191,977.14	1,248.93	0.00
GNMA	2003A RMRB	4.49	09/29/04	09/20/34	428,732.13	433,965.03			(2,094.86)		426,637.27	434,368.45	2,498.28	0.00
GNMA	2003A RMRB	5.49	09/29/04	09/20/34	195,249.93	201,903.52			(868.39)		194,381.54	203,119.39	2,084.26	0.00
GNMA	2003A RMRB	5.49	10/07/04	09/20/34	132,001.85	136,748.52			(539.95)		131,461.90	137,624.06	1,415.49	0.00
GNMA	2003A RMRB	4.49	10/07/04	10/20/34	316,494.07	320,359.93			(2,067.82)		314,426.25	320,127.24	1,835.13	0.00
GNMA	2003A RMRB	5.49	07/15/04	06/20/34	51,158.92	52,994.50			(213.11)		50,945.81	53,329.77	548.38	0.00
GNMA	2003A RMRB	4.49	07/15/04	07/20/34	341,108.89	345,249.31			(1,663.55)		339,445.34	345,573.49	1,987.73	0.00
GNMA	2003A RMRB	5.49	07/22/04	07/20/34	60,283.41	62,446.93			(249.68)		60,033.73	62,843.51	646.26	0.00
GNMA	2003A RMRB	4.49	07/22/04	07/20/34	436,668.01	441,970.57			(2,149.14)		434,518.87	442,365.67	2,544.24	0.00
GNMA	2003A RMRB	4.49	07/29/04	07/20/34	531,533.47	539,459.23			(2,684.88)		528,848.59	540,289.09	3,514.74	0.00
GNMA	2003A RMRB	5.49	07/29/04	07/20/34	202,736.09	210,013.18			(852.01)		201,884.08	211,334.01	2,172.84	0.00
GNMA	2003A RMRB	4.49	08/05/04	08/20/34	226,611.64	229,993.00			(1,762.51)		224,849.13	229,715.57	1,485.08	0.00
GNMA	2003A RMRB	5.49	08/05/04	07/20/34	105,075.35	108,847.62			(437.55)		104,637.80	109,536.42	1,126.35	0.00
GNMA	2003A RMRB	4.49	08/12/04	08/20/34	367,623.78	373,111.11			(2,527.91)		365,095.87	372,999.58	2,416.38	0.00
GNMA	2003A RMRB	5.49	08/12/04	07/20/34	82,520.23	85,483.19			(341.47)		82,178.76	86,026.40	884.68	0.00
GNMA	2003A RMRB	4.49	08/19/04	08/20/34	368,690.13	374,195.26			(1,831.21)		366,858.92	374,802.68	2,438.63	0.00
GNMA	2003A RMRB	5.49	08/19/04	08/20/34	203,950.29	211,275.23			(1,240.94)		202,709.35	212,202.19	2,167.90	0.00
GNMA	2003A RMRB	4.49	12/02/04	10/20/34	134,794.65	136,447.04			(671.62)		134,123.03	136,560.65	785.23	0.00
GNMA	2003A RMRB	4.49	12/09/04	11/20/34	135,211.08	136,869.81			(783.65)		134,427.43	136,871.82	785.66	0.00
GNMA	2003A RMRB	5.49	12/16/04	12/20/34	112,038.34	116,074.75			(731.96)		111,306.38	116,531.41	1,188.62	0.00
GNMA	2003A RMRB	4.49	12/16/04	12/20/34	284,908.04	288,406.13			(1,888.56)		283,019.48	288,168.75	1,651.18	0.00
GNMA	2003A RMRB	4.49	10/14/04	09/20/34	327,976.48	331,983.27			(2,102.94)		325,873.54	331,782.43	1,902.10	0.00
GNMA	2003A RMRB	5.49	10/14/04	09/20/34	39,510.93	40,931.91			(348.30)		39,162.63	40,998.56	414.95	0.00
GNMA	2003A RMRB	5.49	10/21/04	10/20/34	178,840.44	185,274.01			(766.12)		178,074.32	186,424.03	1,916.14	0.00
GNMA	2003A RMRB	4.49	10/21/04	10/20/34	185,501.18	188,281.64			(883.38)		184,617.80	188,626.07	1,227.81	0.00
GNMA	2003A RMRB	4.49	10/28/04	10/20/34	399,556.84	404,443.82			(1,910.60)		397,646.24	404,862.66	2,329.44	0.00
GNMA	2003A RMRB	5.49	10/28/04	10/20/34	51,863.40	53,729.39			(227.31)		51,636.09	54,057.58	555.50	0.00
GNMA	2003A RMRB	5.49	11/04/04	11/20/34	469,848.67	485,877.00			(8,030.77)		461,817.90	482,594.60	4,748.37	0.00
GNMA	2003A RMRB	4.49	11/04/04	10/20/34	181,221.52	183,439.13			(862.01)		180,359.51	183,633.56	1,056.44	0.00
GNMA	2003A RMRB	5.49	11/10/04	11/20/34	63,676.95	65,968.92			(289.27)		63,387.68	66,361.20	681.55	0.00
GNMA	2003A RMRB	4.49	11/10/04	10/20/34	111,284.25	112,953.99			(596.13)		110,688.12	113,093.00	735.14	0.00
GNMA	2003A RMRB	5.49	11/18/04	11/20/34	103,020.27	106,728.99			(421.33)		102,598.94	107,412.51	1,104.85	0.00
GNMA	2003A RMRB	4.49	11/18/04	10/20/34	231,494.55	234,969.36			(1,106.12)		230,388.43	235,395.41	1,532.15	0.00
GNMA	2003A RMRB	5.49	11/23/04	11/20/34	257,765.61	267,046.23			(1,172.94)		256,592.67	268,631.88	2,758.59	0.00
GNMA	2003A RMRB	4.49	11/01/04	11/20/34	168,143.63	170,201.39			(907.67)		167,235.96	170,272.14	978.42	0.00
GNMA	2003A RMRB	5.49	12/29/04	12/20/34	314,351.00	325,679.43			(1,345.48)		313,005.52	327,702.16	3,368.21	0.00
GNMA	2003A RMRB	4.49	12/29/04	12/20/34	150,988.79	152,844.16			(820.10)		150,168.69	152,902.41	878.35	0.00
GNMA	2003A RMRB	5.49	01/06/05	01/20/35	50,321.46	52,105.96			(208.15)		50,113.31	52,446.11	548.30	0.00
GNMA	2003A RMRB	4.49	03/30/05	01/20/35	168,067.91	169,951.08			(882.31)		167,185.60	169,999.01	930.24	0.00
GNMA	2003A RMRB	5.49	01/13/05	01/20/35	214,727.31	222,343.32			(1,030.80)		213,696.51	223,645.31	2,332.79	0.00
GNMA	2003A RMRB	4.49	01/19/05	01/20/35	103,539.06	104,982.52			(600.95)		102,938.11	105,034.21	652.64	0.00
GNMA	2003A RMRB	4.49	01/27/05	01/20/35	639,002.29	646,130.31			(3,057.77)		635,944.52	646,614.98	3,542.44	0.00
GNMA	2003A RMRB	5.49	02/03/05	01/20/35	123,108.79	127,246.37			(519.62)		122,589.17	128,062.36	1,335.61	0.00
GNMA	2003A RMRB	4.49	02/03/05	02/20/35	726,972.80	737,119.62			(121,914.16)		605,058.64	617,388.57	2,183.11	0.00
GNMA	2003A RMRB	5.49	02/17/05	01/20/35	53,641.91	55,546.01			(239.99)		53,401.92	55,889.61	583.59	0.00
GNMA	2003A RMRB	5.49	03/10/05	02/20/35	101,087.49	104,677.85			(400.95)		100,686.54	105,379.07	1,102.17	0.00
GNMA	2003A RMRB	4.49	03/17/05	01/20/35	26,627.63	27,000.05			(124.40)		26,503.23	27,044.08	168.43	0.00
GNMA	2003A RMRB	5.49	03/17/05	03/20/35	115,035.30	119,122.01			(459.45)		114,575.85	119,916.78	1,254.22	0.00
GNMA	2003A RMRB	5.49	04/07/05	04/20/35	300,225.08	310,897.06			(1,281.54)		298,943.54	312,884.74	3,269.22	0.00
GNMA	2003A RMRB	5.49	04/21/05	04/20/35	217,424.28	225,155.47			(1,040.00)		216,384.28	226,477.85	2,362.38	0.00
GNMA	2003A RMRB	4.49	04/28/05	03/20/35	59,814.47	60,653.50			(277.03)		59,537.44	60,754.86	378.39	0.00
GNMA	2003A RMRB	5.49	04/28/05	04/20/35	176,213.96	182,480.89			(711.04)		175,502.92	183,690.63	1,920.78	0.00
GNMA	2003A RMRB	5.49	05/12/05	05/20/35	160,555.81	166,268.22			(3,441.14)		157,114.67	164,446.83	1,619.75	0.00
GNMA	2003A RMRB	4.49	05/19/05	05/20/35	1,201,305.80	1,214,828.81			(6,071.92)		1,195,233.88	1,215,411.19	6,654.30	0.00
GNMA	2003A RMRB	5.49	07/07/05	07/20/35	548,844.71	568,400.73			(2,138.22)		546,706.49	572,248.84	5,986.33	0.00
GNMA	2003A RMRB	5.49	07/14/05	07/20/35	346,898.85	358,610.64			(1,332.48)		345,566.37	361,047.87	3,769.71	0.00
GNMA	2003A RMRB	4.49	05/26/05	04/20/35	122,032.13	123,747.02			(563.96)		121,468.17	123,955.09	772.03	0.00
GNMA	2003A RMRB	5.49	05/26/05	05/20/35	315,310.47	326,532.52			(1,355.70)		313,954.77	328,609.92	3,433.10	0.00
GNMA	2003A RMRB	5.49	06/09/05	05/20/35	274,220.76	283,983.55			(1,289.76)		272,931.00	285,674.37	2,980.58	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	2003A RMRB	5.49	06/15/05	06/20/35	270,512.77	280,145.81			(1,052.38)		269,460.39	282,043.99	2,950.56	0.00
GNMA	2003A RMRB	5.49	06/23/05	06/20/35	173,582.51	179,439.28			(686.16)		172,896.35	180,638.53	1,885.41	0.00
GNMA	2003A RMRB	5.49	09/08/05	09/20/35	267,487.56	277,034.11			(1,073.47)		266,414.09	278,876.80	2,916.16	0.00
GNMA	2003A RMRB	5.49	09/15/05	09/20/35	577,145.66	597,747.44			(107,054.31)		470,091.35	492,084.96	1,391.83	0.00
GNMA	2003A RMRB	5.49	09/22/05	09/20/35	130,587.33	135,249.45			(508.65)		130,078.68	136,165.20	1,424.40	0.00
GNMA	2003A RMRB	4.49	07/28/05	07/20/35	83,580.55	84,760.22			(423.89)		83,156.66	84,864.33	528.00	0.00
GNMA	2003A RMRB	5.49	07/21/05	07/20/35	378,422.73	391,910.73			(2,155.71)		376,267.02	393,850.71	4,095.69	0.00
GNMA	2003A RMRB	5.49	07/28/05	07/20/35	221,069.15	228,950.04			(853.56)		220,215.59	230,508.10	2,411.62	0.00
GNMA	2003A RMRB	5.49	08/04/05	07/20/35	260,213.33	269,491.03			(1,174.23)		259,039.10	271,147.51	2,830.71	0.00
GNMA	2003A RMRB	5.49	08/11/05	08/20/35	251,240.81	260,200.96			(976.22)		250,264.59	261,965.24	2,740.50	0.00
GNMA	2003A RMRB	5.49	08/18/05	07/20/35	300,166.22	310,871.65			(1,358.83)		298,807.39	312,778.19	3,265.17	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	825,625.96	855,083.67			(3,731.30)		821,894.66	860,333.78	8,981.41	0.00
GNMA	2003A RMRB	5.49	08/30/05	08/20/35	396,173.86	410,309.05			(1,658.16)		394,515.70	412,966.78	4,315.89	0.00
GNMA	2003A RMRB	5.49	10/27/05	10/20/35	311,419.92	322,548.08			(1,206.86)		310,213.06	324,738.42	3,397.20	0.00
GNMA	2003A RMRB	5.49	09/29/05	09/20/35	597,892.28	619,241.48			(133,100.17)		464,792.11	486,543.17	401.86	0.00
GNMA	2003A RMRB	5.49	10/06/05	09/20/35	404,620.67	419,070.77			(1,534.98)		403,085.69	421,951.20	4,415.41	0.00
GNMA	2003A RMRB	5.49	10/13/05	10/20/35	316,175.26	327,469.70			(1,199.35)		314,975.91	329,720.63	3,450.28	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	317,967.27	329,327.39			(1,251.70)		316,715.57	331,543.40	3,467.71	0.00
GNMA	2003A RMRB	5.49	10/20/05	10/20/35	279,691.62	289,684.25			(1,220.74)		278,470.88	291,508.19	3,044.68	0.00
GNMA	2003A RMRB	5.49	12/15/05	12/20/35	148,789.01	154,112.61			(654.80)		148,134.21	155,077.46	1,619.65	0.00
GNMA	2003A RMRB	5.49	11/03/05	09/20/35	198,879.90	205,987.00			(758.51)		198,121.39	207,398.61	2,170.12	0.00
GNMA	2003A RMRB	5.49	11/03/05	10/20/35	265,830.06	275,330.51			(1,002.83)		264,827.23	277,228.85	2,901.17	0.00
GNMA	2003A RMRB	5.49	11/10/05	11/20/35	156,182.66	161,765.91			(587.01)		155,595.65	162,883.53	1,704.63	0.00
GNMA	2003A RMRB	5.49	11/17/05	07/20/35	118,029.76	122,248.25			(451.88)		117,577.88	123,084.07	1,287.70	0.00
GNMA	2003A RMRB	5.49	11/17/05	10/20/35	417,480.44	432,405.49			(1,628.66)		415,851.78	435,330.58	4,553.75	0.00
GNMA	2003A RMRB	5.49	11/22/05	11/20/35	213,144.65	220,766.20			(811.69)		212,332.96	222,280.36	2,325.85	0.00
GNMA	2003A RMRB	5.49	12/29/05	12/20/35	417,855.47	432,027.35			(1,585.97)		416,269.50	434,983.45	4,542.07	0.00
GNMA	2003A RMRB	5.49	01/12/06	01/20/36	207,661.38	215,048.87			(781.33)		206,880.05	216,555.13	2,287.59	0.00
GNMA	2003A RMRB	5.49	01/12/06	12/20/35	76,697.10	79,443.14			(284.48)		76,412.62	79,995.95	837.29	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	307,993.56	318,384.41			(1,181.18)		306,812.38	320,586.13	3,384.90	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	195,957.01	202,937.75			(732.75)		195,224.26	204,363.92	2,158.92	0.00
GNMA	2003A RMRB	5.49	02/09/06	01/20/36	200,775.31	207,922.44			(840.69)		199,934.62	209,289.53	2,207.78	0.00
GNMA	2003A RMRB	5.49	02/23/06	01/20/36	90,788.28	94,021.18			(334.61)		90,453.67	94,687.04	1,000.47	0.00
GNMA	2003A RMRB	5.49	03/09/06	02/20/36	354,714.97	367,351.27			(1,318.97)		353,396.00	369,940.67	3,908.37	0.00
GNMA	2003A RMRB	5.49	03/30/06	03/20/36	332,828.10	344,691.66			(1,212.24)		331,615.86	347,147.88	3,668.46	0.00
GNMA	2003A RMRB	5.49	04/27/06	03/20/36	136,250.85	141,110.61			(511.67)		135,739.18	142,100.00	1,501.06	0.00
GNMA	2003A RMRB	4.49	04/27/06	03/20/36	117,327.82	118,586.47			(505.68)		116,822.14	118,707.89	627.10	0.00
FNMA	2003A RMRB	4.49	03/25/04	02/01/34	193,231.32	194,817.47			(976.37)		192,254.95	195,073.90	1,232.80	0.00
FNMA	2003A RMRB	4.49	07/29/04	07/01/34	297,666.88	300,127.17			(1,491.15)		296,175.73	300,535.61	1,899.59	0.00
FNMA	2003A RMRB	4.49	08/26/04	08/01/34	251,669.24	253,752.40			(1,755.93)		249,913.31	253,595.24	1,598.77	0.00
FNMA	2003A RMRB	5.49	09/23/04	08/01/34	195,859.87	202,043.70			(829.44)		195,030.43	203,155.75	1,941.49	0.00
FNMA	2003A RMRB	4.49	09/29/04	09/01/34	316,682.06	319,308.16			(1,548.07)		315,133.99	319,781.62	2,021.53	0.00
FNMA	2003A RMRB	4.49	11/10/04	10/01/34	157,537.86	158,846.97			(629.79)		156,708.07	159,021.93	1,004.75	0.00
FNMA	2003A RMRB	4.49	03/29/05	01/20/35	219,534.69	221,158.26			(1,137.56)		218,397.13	221,325.79	1,305.09	0.00
FNMA	2003A RMRB	5.49	06/23/05	06/01/35	342,183.80	352,710.44			(1,382.38)		340,801.42	354,724.35	3,396.29	0.00
FNMA	2003A RMRB	5.49	08/18/05	06/01/35	302,138.76	311,440.37			(1,711.53)		300,427.23	312,707.64	2,978.80	0.00
FNMA	2003A RMRB	5.49	09/08/05	08/01/35	180,271.08	185,822.94			(705.42)		179,565.66	186,907.74	1,790.22	0.00
FNMA	2003A RMRB	5.49	10/06/05	10/01/35	255,784.27	263,665.44			(1,818.37)		253,965.90	264,353.78	2,506.71	0.00
FNMA	2003A RMRB	5.49	10/20/05	10/01/35	180,974.32	186,551.40			(1,249.34)		179,724.98	187,077.15	1,775.09	0.00
FNMA	2003A RMRB	4.49	12/15/05	06/01/35	87,027.82	87,680.94			(398.91)		86,628.91	87,800.02	517.99	0.00
FNMA	2003A RMRB	5.49	12/29/05	12/01/35	301,776.74	311,085.96			(1,146.64)		300,630.10	312,937.66	2,998.34	0.00
FNMA	2003A RMRB	4.49	01/12/06	12/01/35	71,919.04	72,460.23			(318.62)		71,600.42	72,569.89	428.28	0.00
FNMA	2003A RMRB	5.49	02/02/06	01/01/36	110,735.31	114,048.46			(412.89)		110,322.42	114,685.56	1,049.99	0.00
Repo Agmt	2003A RMRB	0.18	05/29/09	06/01/09	4,116.77	4,116.77	2.02				4,118.79	4,118.79	-	0.00
	2003A RMRB Total				54,656,503.08	55,757,865.45	1,311,513.28	0.00	(722,175.62)	0.00	55,245,840.74	56,741,789.30	394,586.19	0.00
GNMA	1999 A RMRB	7.50	08/31/89	07/20/18	271,131.78	290,110.68			(8,869.17)		262,262.61	281,685.55	444.04	0.00
GNMA	1999 A RMRB	7.50	10/31/89	09/20/18	494,496.45	529,125.97			(11,227.90)		483,268.55	519,074.13	1,176.06	0.00
GNMA	1999 A RMRB	8.75	10/31/89	09/20/18	58,234.31	62,290.96			(1,865.12)		56,369.19	60,507.87	82.03	0.00
GNMA	1999 A RMRB	7.50	11/30/89	10/20/18	500,348.07	538,844.67			(10,985.22)		489,362.85	529,132.66	1,273.21	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
GNMA	1999 A RMRB	8.75	11/30/89	09/20/18	35,677.23	38,740.11			(1,205.99)		34,471.24	37,585.53	51.41	0.00
GNMA	1999 A RMRB	7.50	01/01/90	11/20/18	299,930.49	320,943.87			(26,434.72)		273,495.77	293,767.66	(741.49)	0.00
GNMA	1999 A RMRB	8.75	01/01/90	11/20/18	107,138.94	114,605.51			(1,755.27)		105,383.67	113,124.18	273.94	0.00
GNMA	1999 A RMRB	7.50	01/01/90	12/20/18	151,566.51	162,187.04			(2,763.06)		148,803.45	159,834.45	410.47	0.00
GNMA	1999 A RMRB	7.50	02/27/90	12/20/18	29,772.82	31,859.39			(525.03)		29,247.79	31,416.31	81.95	0.00
GNMA	1999 A RMRB	8.75	05/29/90	02/20/19	87,094.73	93,306.43			(2,269.12)		84,825.61	91,162.07	124.76	0.00
GNMA	1999 A RMRB	7.50	03/30/90	01/20/19	208,580.06	223,616.77			(3,899.22)		204,680.84	220,212.02	494.47	0.00
GNMA	1999 A RMRB	8.75	03/30/90	01/20/19	64,254.95	68,836.32			(47,845.87)		16,409.08	17,634.49	(3,355.96)	0.00
GNMA	1999 A RMRB	7.50	04/26/90	03/20/19	179,651.78	192,607.37			(3,835.72)		175,816.06	189,161.44	389.79	0.00
GNMA	1999 A RMRB	8.75	04/26/90	03/20/19	118,064.02	126,484.74			(2,886.35)		115,177.67	123,781.78	183.39	0.00
GNMA	1999 A RMRB	7.50	05/29/90	04/20/19	315,262.63	338,002.70			(6,056.55)		309,206.08	332,681.29	735.14	0.00
GNMA	1999 A RMRB	8.75	06/28/90	04/20/19	54,545.37	58,436.88			(39,432.65)		15,112.72	16,242.00	(2,762.23)	0.00
GNMA	1999 A RMRB	7.50	10/31/90	07/20/19	31,396.53	33,663.05			(487.49)		30,909.04	33,257.52	81.96	0.00
GNMA	1999 A RMRB	7.50	12/21/90	08/20/19	22,546.65	24,174.71			(352.55)		22,194.10	23,880.82	58.66	0.00
GNMA	1999 A RMRB	7.50	03/28/91	11/20/19	35,915.86	38,511.04			(569.10)		35,346.76	38,034.78	92.84	0.00
GNMA	1999 A RMRB	8.75	04/26/91	01/20/20	113,170.47	121,574.08			(3,026.43)		110,144.04	118,653.17	105.52	0.00
GNMA	1999 A RMRB	7.50	04/29/91	12/20/19	20,339.60	21,809.64			(90.72)		20,248.88	21,789.09	70.17	0.00
GNMA	1999 A RMRB	5.35	01/31/01	08/20/30	21,529.89	22,092.69			(127.68)		21,402.21	22,248.04	283.03	0.00
GNMA	1999 A RMRB	5.35	01/31/01	01/20/31	140,616.36	143,867.41			(860.93)		139,755.43	144,768.45	1,761.97	0.00
GNMA	1999 A RMRB	5.35	05/10/01	04/20/31	2,279.29	2,331.98			(1,354.21)		925.08	958.26	(19.51)	0.00
FNMA	1999 A RMRB	5.35	03/15/01	10/01/30	144,152.20	148,442.16			(1,149.44)		143,002.76	148,558.41	1,265.69	0.00
FNMA	1999 A RMRB	5.35	06/18/01	03/01/31	61,597.49	63,322.21			(698.38)		60,899.11	63,171.25	547.42	0.00
GNMA	1999 A RMRB	5.35	03/18/02	02/20/32	37,817.97	38,711.23			(218.61)		37,599.36	38,957.44	464.82	0.00
Repo Agmt	1999 A RMRB	0.18	05/29/09	06/01/09	401,199.23	401,199.23	0.00				401,199.23	401,199.23	-	0.00
	1999 A RMRB Total				4,008,311.68	4,249,698.84	0.00	0.00	(180,792.50)	0.00	3,827,519.18	4,072,479.89	3,573.55	0.00
	Total Residential Mortgage Revenue Bonds Investment Summary				279,382,644.16	288,544,020.95	9,244,988.23	(11,885.97)	(5,831,370.56)	0.00	282,784,375.86	294,999,400.12	3,053,647.47	0.00

Texas Department of Housing and Community Affairs
Collateralized Home Mortgage Revenue Bonds Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	1990 A&B CHMRB	0.18	05/29/09	06/01/09	53,923.85	53,923.85	25.79				53,949.64	53,949.64	-	0.00
Repo Agmt	1990 A&B CHMRB	0.18	05/29/09	06/01/09	87,189.56	87,189.56	41.88				87,231.44	87,231.44	-	0.00
Repo Agmt	1990 A&B CHMRB	0.18	05/29/09	06/01/09	240,860.96	240,860.96	115.78				240,976.74	240,976.74	-	0.00
	1990 A&B CHMRB Total				381,974.37	381,974.37	183.45	0.00	0.00	0.00	382,157.82	382,157.82	0.00	0.00
Repo Agmt	1991 A CHMRB	0.18	05/29/09	06/01/09	113,785.78	113,785.78	54.68				113,840.46	113,840.46	-	0.00
Repo Agmt	1991 A CHMRB	0.18	05/29/09	06/01/09	7,585.62	7,585.62	3.60				7,589.22	7,589.22	-	0.00
	1991 A CHMRB Total				121,371.40	121,371.40	58.28	0.00	0.00	0.00	121,429.68	121,429.68	0.00	0.00
Repo Agmt	1992 A-C CHMRB	0.18	05/29/09	06/01/09	1.53	1.53		(1.35)			0.18	0.18	-	0.00
GICs	1992 A-C CHMRB	6.09	06/29/92	07/02/24	341,097.97	341,097.97	213,543.60				554,641.57	554,641.57	-	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	12/01/23	28,170.56	30,257.24			(295.90)		27,874.66	30,740.77	779.43	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/23	98,061.09	105,318.71			(1,132.94)		96,928.15	106,888.29	2,702.52	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	06/01/23	210,817.00	226,455.59			(5,690.90)		205,126.10	226,251.41	5,486.72	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	02/01/25	947,701.57	1,018,313.43			(19,334.46)		928,367.11	1,024,586.22	25,607.25	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	547,343.55	588,128.85			(7,922.84)		539,420.71	595,332.22	15,126.21	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	03/01/25	134,284.36	144,290.58			(2,901.53)		131,382.83	145,000.83	3,611.78	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	516,853.08	555,374.71			(6,579.49)		510,273.59	563,172.43	14,377.21	0.00
FNMA	1992 A-C CHMRB	6.91	06/30/95	05/01/25	632,387.38	679,577.02			(8,178.71)		624,208.67	689,219.46	17,821.15	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/22	119,066.32	128,933.63			(1,493.29)		117,573.03	127,748.72	308.38	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	01/20/23	158,287.19	171,291.02			(2,533.73)		155,753.46	168,983.00	225.71	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/23	141,306.67	152,921.37			(33,593.27)		107,713.40	116,867.07	(2,461.03)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	07/20/23	334,711.82	362,237.18			(4,766.90)		329,944.92	357,998.12	527.84	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	08/20/23	76,049.29	82,304.37			(798.03)		75,251.26	81,650.50	144.16	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	09/20/23	13,473.71	14,582.12			(539.21)		12,934.50	14,034.63	(8.28)	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	12/20/23	211,966.81	229,412.56			(3,187.43)		208,779.38	226,545.14	320.01	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/23	37,426.81	40,503.62			(386.69)		37,040.12	40,188.37	71.44	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	04/20/25	506,237.45	547,258.75			(5,615.90)		500,621.55	544,567.70	2,924.85	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	05/20/25	456,650.50	493,659.22			(10,364.58)		446,285.92	485,467.78	2,173.14	0.00
GNMA	1992 A-C CHMRB	6.91	06/30/95	06/20/25	335,663.63	362,871.08			(3,687.52)		331,976.11	361,126.41	1,942.85	0.00
GICs	1992 A-C CHMRB	6.09	06/29/92	07/02/24	100,000.00	100,000.00	0.00				100,000.00	100,000.00	-	0.00
FNMA	1992 A-C CHMRB	6.91	04/28/95	06/01/23	106,947.49	114,861.77			(2,133.77)		104,813.72	115,583.13	2,855.13	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/23	598,955.89	648,160.13			(22,535.90)		576,419.99	625,379.19	(245.04)	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	01/20/25	1,541,336.26	1,666,131.47			(22,298.80)		1,519,037.46	1,652,282.46	8,449.79	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	02/20/25	1,198,839.52	1,295,919.94			(20,776.27)		1,178,063.25	1,281,414.49	6,270.82	0.00
GNMA	1992 A-C CHMRB	6.91	04/28/95	03/20/25	1,293,132.38	1,397,862.57			(28,835.13)		1,264,297.25	1,375,227.56	6,200.12	0.00
Repo Agmt	1992 A-C CHMRB	0.18	05/29/09	06/01/09	13,029.10	13,029.10	6.23				13,035.33	13,035.33	-	0.00
	1992 A-C CHMRB Total				10,699,798.93	11,510,755.53	213,549.83	(1.35)	(215,583.19)	0.00	10,697,764.22	11,623,932.98	115,212.16	0.00
	Total CHMRB Investment Summary				11,203,144.70	12,014,101.30	213,791.56	(1.35)	(215,583.19)	0.00	11,201,351.72	12,127,520.48	115,212.16	0.00

Texas Department of Housing and Community Affairs
Multi Family Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.10	05/01/09	06/01/09	40,699.99	40,699.99	4,124.98				44,824.97	44,824.97	-	0.00
Mutual Fund	1996 A&B MF (Brighton/LasColi)	0.10	05/01/09	06/01/09	25,224.14	25,224.14	6,258.45				31,482.59	31,482.59	-	0.00
	1996 A&B MF (Brighton/LasColi) Total				65,924.13	65,924.13	10,383.43	0.00	0.00	0.00	76,307.56	76,307.56	0.00	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.00	05/01/09	06/01/09	69,210.63	69,210.63	6,910.85				76,121.48	76,121.48	-	0.00
Mutual Fund	1996 A&B MF (Braxton's)	0.00	05/01/09	06/01/09	38,958.93	38,958.93	9,938.52				48,897.45	48,897.45	-	0.00
	1996 A&B MF (Braxton's) Total				108,169.56	108,169.56	16,849.37	0.00	0.00	0.00	125,018.93	125,018.93	0.00	0.00
Money Market	1987 South Tx. Rental Housing	0.00	05/01/09	06/01/09			20.71				20.71	20.71	-	0.00
Repo Agmt	1987 South Tx. Rental Housing	0.18	05/29/09	06/01/09	521,928.27	521,928.27	249.84				522,178.11	522,178.11	-	0.00
Mutual Fund	1987 South Tx. Rental Housing	0.00	05/01/09	06/01/09			2,264.25				2,264.25	2,264.25	-	0.00
	1987 South Tx. Rental Housing Total				521,928.27	521,928.27	2,534.80	0.00	0.00	0.00	524,463.07	524,463.07	0.00	0.00
Mutual Fund	1998 M/F (Pebble Brook)	0.10	05/01/09	06/01/09	126,833.39	126,833.39	325,565.41				452,398.80	452,398.80	-	0.00
Inv Agmt	1998 M/F (Pebble Brook)	5.20	04/30/98	12/01/30	139,065.73	139,065.73		(123,817.67)			15,248.06	15,248.06	-	0.00
Money Market	1998 M/F (Pebble Brook)	0.10	05/01/09	06/01/09	3,006.71	3,006.71	0.00				3,006.71	3,006.71	-	0.00
	1998 M/F (Pebble Brook) Total				268,905.83	268,905.83	325,565.41	(123,817.67)	0.00	0.00	470,653.57	470,653.57	0.00	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	05/01/09	06/01/09	275,929.10	275,929.10		(129,324.80)			146,604.30	146,604.30	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	05/01/09	06/01/09	105,422.50	105,422.50		(11,324.21)			94,098.29	94,098.29	-	0.00
Money Market	1998 M/F (Residence Oaks Proj)	0.00	05/01/09	06/01/09			0.42				0.42	0.42	-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)				12,833.33	12,833.33		(12,833.33)					-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)				41,124.46	41,124.46		(41,124.46)					-	0.00
Mutual Fund	1998 M/F (Residence Oaks Proj)	0.00	05/01/09	06/01/09	27.30	27.30	9,887.71				9,915.01	9,915.01	-	0.00
	1998 M/F (Residence Oaks Proj) Total				435,336.69	435,336.69	9,888.13	(194,606.80)	0.00	0.00	250,618.02	250,618.02	0.00	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.00	05/01/09	06/01/09	59,576.44	59,576.44	9,375.00				68,951.44	68,951.44	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.00	05/01/09	06/01/09	124,396.06	124,396.06		(550.70)			123,845.36	123,845.36	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail				399.60	399.60		(399.60)					-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	05/01/09	06/01/09	124,999.98	124,999.98		(57,499.98)			67,500.00	67,500.00	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	05/01/09	06/01/09	317,874.00	317,874.00		(160,821.36)			157,052.64	157,052.64	-	0.00
Mutual Fund	1998 M/F (Greens-Hickory Trail	0.01	05/01/09	06/01/09	25,931.21	25,931.21		(7,868.14)			18,063.07	18,063.07	-	0.00
	1998 M/F (Greens-Hickory Trail Total				653,177.29	653,177.29	9,375.00	(227,139.78)	0.00	0.00	435,412.51	435,412.51	0.00	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	05/01/09	06/01/09	21,110.89	21,110.89	72,315.60				93,426.49	93,426.49	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	05/01/09	06/01/09	162,442.33	162,442.33		(159,655.66)			2,786.67	2,786.67	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	05/01/09	06/01/09	44,759.47	44,759.47	8,250.95				53,010.42	53,010.42	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	05/01/09	06/01/09	37,876.04	37,876.04		(18,542.67)			19,333.37	19,333.37	-	0.00
Mutual Fund	1999 M/F (Mayfield Apts)	0.00	05/01/09	06/01/09	106,362.01	106,362.01		(58,976.00)			47,386.01	47,386.01	-	0.00
	1999 M/F (Mayfield Apts) Total				372,550.74	372,550.74	80,566.55	(237,174.33)	0.00	0.00	215,942.96	215,942.96	0.00	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	05/01/09	06/01/09	9,187.54	9,187.54		(5,278.66)			3,908.88	3,908.88	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	05/01/09	06/01/09	38,236.71	38,236.71	4,483.04				42,719.75	42,719.75	-	0.00
Mutual Fund	2000 M/F (Timber Point Apts)	0.00	05/01/09	06/01/09	15,057.40	15,057.40	21,246.00				36,303.40	36,303.40	-	0.00
	2000 M/F (Timber Point Apts) Total				62,481.65	62,481.65	25,729.04	(5,278.66)	0.00	0.00	82,932.03	82,932.03	0.00	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	05/01/09	06/01/09	76,275.79	76,275.79	2,564.83				78,840.62	78,840.62	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	05/01/09	06/01/09	279,836.78	279,836.78		(1,773.18)			278,063.60	278,063.60	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	05/01/09	06/01/09	94,103.64	94,103.64	41.62				94,145.26	94,145.26	-	0.00
Mutual Fund	2000 A&B M/F (Oaks at Hampton)	0.01	05/01/09	06/01/09	31,640.92	31,640.92		(17,506.44)			14,134.48	14,134.48	-	0.00
	2000 A&B M/F (Oaks at Hampton) Total				481,857.13	481,857.13	2,606.45	(19,279.62)	0.00	0.00	465,183.96	465,183.96	0.00	0.00
Mutual Fund	2000 M/F (Deerwood Apts)	0.01	05/01/09	06/01/09	20,547.44	20,547.44		(9,363.00)			11,184.44	11,184.44	-	0.00
Inv Agmt	2000 M/F (Deerwood Apts)	6.15	05/23/00	06/01/32	116,178.67	116,178.67	123,103.46				239,282.13	239,282.13	-	0.00
	2000 M/F (Deerwood Apts) Total				136,726.11	136,726.11	123,103.46	(9,363.00)	0.00	0.00	250,466.57	250,466.57	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	05/01/09	06/01/09	22,067.48	22,067.48		(5,470.84)			16,596.64	16,596.64	-	0.00
Mutual Fund	2000 M/F (Creek Point Apts)	0.00	05/01/09	06/01/09	24,404.62	24,404.62	160.00				24,564.62	24,564.62	-	0.00
Money Market	2000 M/F (Creek Point Apts)	0.00	05/01/09	06/01/09	30,842.72	30,842.72	27,685.01				58,527.73	58,527.73	-	0.00
	2000 M/F (Creek Point Apts) Total				77,314.82	77,314.82	27,845.01	(5,470.84)	0.00	0.00	99,688.99	99,688.99	0.00	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	05/01/09	06/01/09	25,409.35	25,409.35	7,772.12				33,181.47	33,181.47	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	05/01/09	06/01/09	249,165.11	249,165.11	12,027.50				261,192.61	261,192.61	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	05/01/09	06/01/09	93,104.88	93,104.88	33.91				93,138.79	93,138.79	-	0.00
Mutual Fund	2000 M/F (Parks @ Westmoreld)	0.01	05/01/09	06/01/09	91,480.43	91,480.43	4,253.39				95,733.82	95,733.82	-	0.00
	2000 M/F (Parks @ Westmoreld) Total				459,159.77	459,159.77	24,086.92	0.00	0.00	0.00	483,246.69	483,246.69	0.00	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	05/01/09	06/01/09	59,635.44	59,635.44	31,500.69				91,136.13	91,136.13	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	05/01/09	06/01/09	19,408.97	19,408.97	71,579.33				90,988.30	90,988.30	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	05/01/09	06/01/09	65,315.01	65,315.01	20,833.33				86,148.34	86,148.34	-	0.00
Mutual Fund	2000 A-C MF Highland Meadows				11,003.26	11,003.26		(11,003.26)					-	0.00
Mutual Fund	2000 A-C MF Highland Meadows	0.00	05/01/09	06/01/09	49,045.77	49,045.77		(45,569.17)			3,476.60	3,476.60	-	0.00
	2000 A-C MF Highland Meadows Total				204,408.45	204,408.45	123,913.35	(56,572.43)	0.00	0.00	271,749.37	271,749.37	0.00	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	05/01/09	06/01/09	48,104.76	48,104.76		(31,960.08)			16,144.68	16,144.68	-	0.00
Money Market	2000 A/B MF Greenbridge	0.01	05/01/09	06/01/09	24,207.04	24,207.04	8,067.49				32,274.53	32,274.53	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	05/01/09	06/01/09	15,019.77	15,019.77	3.09				15,022.86	15,022.86	-	0.00
Mutual Fund	2000 A/B MF Greenbridge	0.01	05/01/09	06/01/09	11,770.00	11,770.00	0.00				11,770.00	11,770.00	-	0.00
Inv Agmt	2000 A/B MF Greenbridge	6.15	11/09/00	11/01/40	5.45	5.45	0.00				5.45	5.45	-	0.00
Money Market	2000 A/B MF Greenbridge	0.01	05/01/09	06/01/09	42,788.78	42,788.78	3,123.74				45,912.52	45,912.52	-	0.00
	2000 A/B MF Greenbridge Total				141,895.80	141,895.80	11,194.32	(31,960.08)	0.00	0.00	121,130.04	121,130.04	0.00	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.10	05/01/09	06/01/09	21,296.37	21,296.37	21,952.98				43,249.35	43,249.35	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.10	05/01/09	06/01/09	3.95	3.95	29,166.90				29,170.85	29,170.85	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.10	05/01/09	06/01/09	82,200.34	82,200.34		(68,031.18)			14,169.16	14,169.16	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.10	05/01/09	06/01/09	17,086.99	17,086.99		(17,086.33)			0.66	0.66	-	0.00
Mutual Fund	2000 A-C MF Collingham Park	0.10	05/01/09	06/01/09	112,215.47	112,215.47		(112,213.24)			2.23	2.23	-	0.00
	2000 A-C MF Collingham Park Total				232,803.12	232,803.12	51,119.88	(197,330.75)	0.00	0.00	86,592.25	86,592.25	0.00	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	05/01/09	06/01/09	13.09	13.09	0.00				13.09	13.09	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	05/01/09	06/01/09	14.72	14.72	0.00				14.72	14.72	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	05/01/09	06/01/09	12,158.96	12,158.96		(2,499.64)			9,659.32	9,659.32	-	0.00
Mutual Fund	2000 A/B MF Willams Run	0.01	05/01/09	06/01/09	1,593.28	1,593.28	0.33				1,593.61	1,593.61	-	0.00
	2000 A/B MF Willams Run Total				13,780.05	13,780.05	0.33	(2,499.64)	0.00	0.00	11,280.74	11,280.74	0.00	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	05/01/09	06/01/09	32,684.17	32,684.17		(18,689.03)			13,995.14	13,995.14	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	05/01/09	06/01/09	64,833.07	64,833.07	4,287.15				69,120.22	69,120.22	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	05/01/09	06/01/09	186,971.92	186,971.92	566.46				187,538.38	187,538.38	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	05/01/09	06/01/09	96,920.09	96,920.09	258.11				97,178.20	97,178.20	-	0.00
Mutual Fund	2001A MF Bluffview Sr. Apts.	0.01	05/01/09	06/01/09	42,059.67	42,059.67	1.03				42,060.70	42,060.70	-	0.00
	2001A MF Bluffview Sr. Apts. Total				423,468.92	423,468.92	5,112.75	(18,689.03)	0.00	0.00	409,892.64	409,892.64	0.00	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	05/01/09	06/01/09	22,981.19	22,981.19		(21,330.17)			1,651.02	1,651.02	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	05/01/09	06/01/09	75,132.86	75,132.86	1,821.70				76,954.56	76,954.56	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	05/01/09	06/01/09	117,757.53	117,757.53		(7,235.31)			110,522.22	110,522.22	-	0.00
Mutual Fund	2001A MF Knollwood Villas Apts	0.01	05/01/09	06/01/09	118,876.34	118,876.34	39.20				118,915.54	118,915.54	-	0.00
	2001A MF Knollwood Villas Apts Total				334,747.92	334,747.92	1,860.90	(28,565.48)	0.00	0.00	308,043.34	308,043.34	0.00	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	24,197.28	24,197.28	13,899.66				38,096.94	38,096.94	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	196,981.60	196,981.60	14,499.99				211,481.59	211,481.59	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	1,119.78	1,119.78	10.90				1,130.68	1,130.68	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	37,913.98	37,913.98	39,162.57				77,076.55	77,076.55	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	64,455.50	64,455.50		(24,666.32)			39,789.18	39,789.18	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	28,333.38	28,333.38	25,000.02				53,333.40	53,333.40	-	0.00
Mutual Fund	2001A MF Skyway Villas	0.01	05/01/09	06/01/09	116,706.81	116,706.81	90,843.12				207,549.93	207,549.93	-	0.00
	2001A MF Skyway Villas Total				469,708.33	469,708.33	183,416.26	(24,666.32)	0.00	0.00	628,458.27	628,458.27	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Mutual Fund	2001AB MF Cobb Park Apts	0.01	05/01/09	06/01/09	9,064.75	9,064.75	2,061.49				11,126.24	11,126.24	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	0.01	05/01/09	06/01/09	133,115.21	133,115.21	16,712.39				149,827.60	149,827.60	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	0.01	05/01/09	06/01/09	22,818.97	22,818.97	3,188.73				26,007.70	26,007.70	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	0.01	05/01/09	06/01/09			74,621.93				74,621.93	74,621.93	-	0.00
Mutual Fund	2001AB MF Cobb Park Apts	0.01	05/01/09	06/01/09	58,340.25	58,340.25	1.43				58,341.68	58,341.68	-	0.00
	2001AB MF Cobb Park Apts Total				223,339.18	223,339.18	96,585.97	0.00	0.00	0.00	319,925.15	319,925.15	0.00	0.00
Mutual Fund	2001A MF Greens Road Apts	0.10	05/01/09	06/01/09	32.38	32.38	3,942.33				3,974.71	3,974.71	-	0.00
Mutual Fund	2001A MF Greens Road Apts	0.10	05/01/09	06/01/09			276,052.50				276,052.50	276,052.50	-	0.00
Inv Agmt	2001A MF Greens Road Apts	4.01	09/14/01	06/01/34	139,199.54	139,199.54		(133,650.04)			5,549.50	5,549.50	-	0.00
	2001A MF Greens Road Apts Total				139,231.92	139,231.92	279,994.83	(133,650.04)	0.00	0.00	285,576.71	285,576.71	0.00	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	3,601.54	3,601.54	28,019.46				31,621.00	31,621.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	58,697.94	58,697.94	52,135.38				110,833.32	110,833.32	-	0.00
Money Market	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	23,187.28	23,187.28	80,705.52				103,892.80	103,892.80	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	298,201.73	298,201.73		(212,084.15)			86,117.58	86,117.58	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	91.32	91.32	1,863.68				1,955.00	1,955.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	53.69	53.69	5,946.31				6,000.00	6,000.00	-	0.00
Mutual Fund	2001AB MF Meridian Apts	0.00	05/01/09	06/01/09	222.59	222.59	40,337.41				40,560.00	40,560.00	-	0.00
	2001AB MF Meridian Apts Total				384,056.09	384,056.09	209,007.76	(212,084.15)	0.00	0.00	380,979.70	380,979.70	0.00	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09	4,057.16	4,057.16	17,039.75				21,096.91	21,096.91	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09	9,403.40	9,403.40	99,340.60				108,744.00	108,744.00	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09	167,204.92	167,204.92		(90,852.02)			76,352.90	76,352.90	-	0.00
Money Market	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09			93,333.32				93,333.32	93,333.32	-	0.00
Mutual Fund	2001AB MF Wildwood Branch				101.79	101.79		(101.79)					-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09	60.01	60.01	4,939.99				5,000.00	5,000.00	-	0.00
Mutual Fund	2001AB MF Wildwood Branch	0.00	05/01/09	06/01/09	167,512.61	167,512.61		(134,577.61)			32,935.00	32,935.00	-	0.00
	2001AB MF Wildwood Branch Total				348,339.89	348,339.89	214,653.66	(225,531.42)	0.00	0.00	337,462.13	337,462.13	0.00	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.00	05/01/09	06/01/09	88,168.88	88,168.88		(471.84)			87,697.04	87,697.04	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	25,837.36	25,837.36	7,944.06				33,781.42	33,781.42	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	131.77	131.77	0.18				131.95	131.95	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	380,628.89	380,628.89		(348,284.89)			32,344.00	32,344.00	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	137,262.05	137,262.05	14,012.00				151,274.05	151,274.05	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	55,160.21	55,160.21	35,003.77				90,163.98	90,163.98	-	0.00
Mutual Fund	2001ABC MF Fallbrook Apts	0.01	05/01/09	06/01/09	248,832.06	248,832.06	143,599.38				392,431.44	392,431.44	-	0.00
	2001ABC MF Fallbrook Apts Total				936,021.22	936,021.22	200,559.39	(348,756.73)	0.00	0.00	787,823.88	787,823.88	0.00	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	05/01/09	06/01/09	25,042.91	25,042.91	5,245.07				30,287.98	30,287.98	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	05/01/09	06/01/09	51,755.00	51,755.00		(10,154.06)			41,600.94	41,600.94	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	05/01/09	06/01/09	56,109.87	56,109.87	0.65				56,110.52	56,110.52	-	0.00
Mutual Fund	2001 MF Oak Hollow Apts	0.01	05/01/09	06/01/09	49,651.94	49,651.94	356.11				50,008.05	50,008.05	-	0.00
	2001 MF Oak Hollow Apts Total				182,559.72	182,559.72	5,601.83	(10,154.06)	0.00	0.00	178,007.49	178,007.49	0.00	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	05/01/09	06/01/09	10,012.04	10,012.04	7,432.50				17,444.54	17,444.54	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	05/01/09	06/01/09	62,241.95	62,241.95		(15,999.47)			46,242.48	46,242.48	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	05/01/09	06/01/09	101,229.44	101,229.44	29.66				101,259.10	101,259.10	-	0.00
Mutual Fund	2001AB MF Hillside Apts	0.01	05/01/09	06/01/09	78,306.34	78,306.34	1,647.29				79,953.63	79,953.63	-	0.00
	2001AB MF Hillside Apts Total				251,789.77	251,789.77	9,109.45	(15,999.47)	0.00	0.00	244,899.75	244,899.75	0.00	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	5,909.28	5,909.28	2,663.01				8,572.29	8,572.29	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	142,134.49	142,134.49	15,503.63				157,638.12	157,638.12	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	118,242.38	118,242.38	9,528.73				127,771.11	127,771.11	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	76,852.49	76,852.49		(35,030.26)			41,822.23	41,822.23	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	27,950.56	27,950.56	32,500.99				60,451.55	60,451.55	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	101,316.67	101,316.67	112,609.83				213,926.50	213,926.50	-	0.00
Mutual Fund	2002A MF Millstone Apts	0.01	05/01/09	06/01/09	45,433.48	45,433.48	52,702.54				98,136.02	98,136.02	-	0.00
	2002A MF Millstone Apts Total				517,839.35	517,839.35	225,508.73	(35,030.26)	0.00	0.00	708,317.82	708,317.82	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Mutual Fund	2002 MF SugarCreek Apts	0.01	05/01/09	06/01/09	275.19	275.19	0.00				275.19	275.19	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	05/01/09	06/01/09	159,656.50	159,656.50	242,731.25				402,387.75	402,387.75	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	05/01/09	06/01/09	17,745.06	17,745.06		(17,745.02)			0.04	0.04	-	0.00
Mutual Fund	2002 MF SugarCreek Apts	0.01	05/01/09	06/01/09	0.05	0.05	0.00				0.05	0.05	-	0.00
	2002 MF SugarCreek Apts Total				177,676.80	177,676.80	242,731.25	(17,745.02)	0.00	0.00	402,663.03	402,663.03	0.00	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	05/01/09	06/01/09	880.23	880.23	0.03				880.26	880.26	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	05/01/09	06/01/09	216,283.12	216,283.12	9,417.37				225,700.49	225,700.49	-	0.00
Money Market	2002 MF West Oaks Apts	0.01	05/01/09	06/01/09	1,740.13	1,740.13	5,618.81				7,358.94	7,358.94	-	0.00
Mutual Fund	2002 MF West Oaks Apts	0.01	05/01/09	06/01/09	291,255.14	291,255.14		(47,746.23)			243,508.91	243,508.91	-	0.00
	2002 MF West Oaks Apts Total				510,158.62	510,158.62	15,036.21	(47,746.23)	0.00	0.00	477,448.60	477,448.60	0.00	0.00
Mutual Fund	2002 MF Park Meadows Apts				630.45	630.45		(630.45)					-	0.00
Mutual Fund	2002 MF Park Meadows Apts	0.00	05/01/09	06/01/09	149,728.65	149,728.65	84,607.47				234,336.12	234,336.12	-	0.00
Mutual Fund	2002 MF Park Meadows Apts	0.00	05/01/09	06/01/09	52.41	52.41	0.00				52.41	52.41	-	0.00
	2002 MF Park Meadows Apts Total				150,411.51	150,411.51	84,607.47	(630.45)	0.00	0.00	234,388.53	234,388.53	0.00	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	05/01/09	06/01/09	21,756.92	21,756.92	4,681.66				26,438.58	26,438.58	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	05/01/09	06/01/09	152,922.94	152,922.94		(10,829.91)			142,093.03	142,093.03	-	0.00
Mutual Fund	2002 MF Clarkridge Villas Apts	0.01	05/01/09	06/01/09	117,632.97	117,632.97		(111.25)			117,521.72	117,521.72	-	0.00
Money Market	2002 MF Clarkridge Villas Apts	0.01	05/01/09	06/01/09	114,827.28	114,827.28	18,774.26				133,601.54	133,601.54	-	0.00
	2002 MF Clarkridge Villas Apts Total				407,140.11	407,140.11	23,455.92	(10,941.16)	0.00	0.00	419,654.87	419,654.87	0.00	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	05/01/09	06/01/09	8,434.56	8,434.56	3,853.51				12,288.07	12,288.07	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	05/01/09	06/01/09	50,596.69	50,596.69	1,487.67				52,084.36	52,084.36	-	0.00
Money Market	2002 MF Hickory Trace Apts	0.01	05/01/09	06/01/09	91,297.59	91,297.59	16.75				91,314.34	91,314.34	-	0.00
Mutual Fund	2002 MF Hickory Trace Apts	0.01	05/01/09	06/01/09	66,993.18	66,993.18	3,386.66				70,379.84	70,379.84	-	0.00
	2002 MF Hickory Trace Apts Total				217,322.02	217,322.02	8,744.59	0.00	0.00	0.00	226,066.61	226,066.61	0.00	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	05/01/09	06/01/09	72,854.76	72,854.76	82,580.43				155,435.19	155,435.19	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	05/01/09	06/01/09	124,856.84	124,856.84	9,702.95				134,559.79	134,559.79	-	0.00
Mutual Fund	2002 MF Green Crest Apts	0.01	05/01/09	06/01/09	1,395.13	1,395.13	185.63				1,580.76	1,580.76	-	0.00
	2002 MF Green Crest Apts Total				199,106.73	199,106.73	92,469.01	0.00	0.00	0.00	291,575.74	291,575.74	0.00	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	05/01/09	06/01/09	291,133.61	291,133.61		(115,360.58)			175,773.03	175,773.03	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	05/01/09	06/01/09	3,996.70	3,996.70	0.86				3,997.56	3,997.56	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	05/01/09	06/01/09	9,709.22	9,709.22		(4,666.44)			5,042.78	5,042.78	-	0.00
Mutual Fund	2002 MF Ironwood Apts	0.01	05/01/09	06/01/09	893.21	893.21	4,666.87				5,560.08	5,560.08	-	0.00
	2002 MF Ironwood Apts Total				305,732.74	305,732.74	4,667.73	(120,027.02)	0.00	0.00	190,373.45	190,373.45	0.00	0.00
Mutual Fund	2002 MF Woodway Village	0.00	05/01/09	06/01/09	10,890.48	10,890.48		(3,767.50)			7,122.98	7,122.98	-	0.00
Mutual Fund	2002 MF Woodway Village	0.00	05/01/09	06/01/09	134,122.88	134,122.88	130,703.58				264,826.46	264,826.46	-	0.00
	2002 MF Woodway Village Total				145,013.36	145,013.36	130,703.58	(3,767.50)	0.00	0.00	271,949.44	271,949.44	0.00	0.00
Money Market	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	65.11	65.11	12,791.94				12,857.05	12,857.05	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	25,149.82	25,149.82	37,062.51				62,212.33	62,212.33	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	8,023.82	8,023.82	4,743.89				12,767.71	12,767.71	-	0.00
Money Market	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	7.96	7.96	0.00				7.96	7.96	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	71,593.96	71,593.96	25,762.13				97,356.09	97,356.09	-	0.00
Mutual Fund	2003 AB MF Reading Road	0.00	05/01/09	06/01/09	0.16	0.16	0.00				0.16	0.16	-	0.00
	2003 AB MF Reading Road Total				104,848.79	104,848.79	80,360.47	0.00	0.00	0.00	185,209.26	185,209.26	0.00	0.00
Money Market	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	45.24	45.24	68,709.53				68,754.77	68,754.77	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	398.58	398.58	0.08				398.66	398.66	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	229,524.02	229,524.02		(202,787.12)			26,736.90	26,736.90	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	144,866.21	144,866.21	36,794.12				181,660.33	181,660.33	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	22,435.72	22,435.72		(22,434.68)			1.04	1.04	-	0.00
Money Market	2003 AB MF North Vista Apts	0.01	05/01/09	06/01/09	2,622.90	2,622.90	51,958.88				54,581.78	54,581.78	-	0.00

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Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	5,817.77	5,817.77	242,135.39				247,953.16	247,953.16	-	0.00
Mutual Fund	2003 AB MF North Vista Apts	0.07	05/01/09	06/01/09	3,118.52	3,118.52	33,005.48				36,124.00	36,124.00	-	0.00
	2003 AB MF North Vista Apts Total				408,828.96	408,828.96	432,603.48	(225,221.80)	0.00	0.00	616,210.64	616,210.64	0.00	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	11,156.58	11,156.58	53,023.79				64,180.37	64,180.37	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	102,078.13	102,078.13	21,359.87				123,438.00	123,438.00	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	24,624.40	24,624.40	47,497.39				72,121.79	72,121.79	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	243,794.65	243,794.65		(160,536.73)			83,257.92	83,257.92	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	12,885.78	12,885.78		(12,870.58)			15.20	15.20	-	0.00
Money Market	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	8,163.45	8,163.45	51,850.67				60,014.12	60,014.12	-	0.00
Mutual Fund	2003 AB MF West Virginia Apts	0.36	05/01/09	06/01/09	38,268.84	38,268.84	140,484.87				178,753.71	178,753.71	-	0.00
	2003 AB MF West Virginia Apts Total				440,971.83	440,971.83	314,216.59	(173,407.31)	0.00	0.00	581,781.11	581,781.11	0.00	0.00
Mutual Fund	2003AB MF Sphinx @ Murdeaux	0.01	05/01/09	06/01/09	1,786.46	1,786.46	317.49				2,103.95	2,103.95	-	0.00
GNMA	2003AB MF Sphinx @ Murdeaux	5.10	12/30/04	12/15/42	14,516,264.67	14,516,264.67			(38,341.80)		14,477,922.87	14,477,922.87	-	0.00
Inv Agmt	2003AB MF Sphinx @ Murdeaux	2.51	05/13/03	12/01/42	151,339.56	151,339.56	222,944.58				374,284.14	374,284.14	-	0.00
	2003AB MF Sphinx @ Murdeaux Total				14,669,390.69	14,669,390.69	223,262.07	0.00	(38,341.80)	0.00	14,854,310.96	14,854,310.96	0.00	0.00
Mutual Fund	2003 AB MF Primrose Houston	0.01	05/01/09	06/01/09	99,828.00	99,828.00		(0.08)			99,827.92	99,827.92	-	0.00
Money Market	2003 AB MF Primrose Houston	0.01	05/01/09	06/01/09	8,455.56	8,455.56	5,678.81				14,134.37	14,134.37	-	0.00
	2003 AB MF Primrose Houston Total				108,283.56	108,283.56	5,678.81	(0.08)	0.00	0.00	113,962.29	113,962.29	0.00	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	05/01/09	06/01/09	30,157.98	30,157.98	14,058.84				44,216.82	44,216.82	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	05/01/09	06/01/09	202,143.78	202,143.78	14,824.60				216,968.38	216,968.38	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	05/01/09	06/01/09	0.15	0.15	93,957.74				93,957.89	93,957.89	-	0.00
Mutual Fund	2003 AB MF Timber Oaks Apts	0.01	05/01/09	06/01/09	16,413.90	16,413.90	7,403.37				23,817.27	23,817.27	-	0.00
	2003 AB MF Timber Oaks Apts Total				248,715.81	248,715.81	130,244.55	0.00	0.00	0.00	378,960.36	378,960.36	0.00	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	05/01/09	06/01/09	1,215.72	1,215.72	1.31				1,217.03	1,217.03	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	05/01/09	06/01/09	4,828.48	4,828.48	0.00				4,828.48	4,828.48	-	0.00
Mutual Fund	2003 AB MF Ash Creek	0.01	05/01/09	06/01/09	99,271.82	99,271.82		(0.13)			99,271.69	99,271.69	-	0.00
Money Market	2003 AB MF Ash Creek	0.01	05/01/09	06/01/09	5,598.99	5,598.99	5,538.90				11,137.89	11,137.89	-	0.00
	2003 AB MF Ash Creek Total				110,915.01	110,915.01	5,540.21	(0.13)	0.00	0.00	116,455.09	116,455.09	0.00	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	05/01/09	06/01/09			2,223.75				2,223.75	2,223.75	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	05/01/09	06/01/09	341,786.43	341,786.43		(195,214.26)			146,572.17	146,572.17	-	0.00
Mutual Fund	2003 AB MF Peninsula	0.01	05/01/09	06/01/09	143.29	143.29	6,942.03				7,085.32	7,085.32	-	0.00
	2003 AB MF Peninsula Total				341,929.72	341,929.72	9,165.78	(195,214.26)	0.00	0.00	155,881.24	155,881.24	0.00	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	31.42	31.42	0.01				31.43	31.43	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	110,580.47	110,580.47	9,971.27				120,551.74	120,551.74	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	81,619.93	81,619.93	171.46				81,791.39	81,791.39	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	1,012.73	1,012.73	0.23				1,012.96	1,012.96	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	0.03	0.03	0.00				0.03	0.03	-	0.00
Money Market	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	37.64	37.64	0.01				37.65	37.65	-	0.00
Mutual Fund	2003 A MF Evergreen @ Mesquite	0.01	05/01/09	06/01/09	22,572.61	22,572.61	6,750.63				29,323.24	29,323.24	-	0.00
	2003 A MF Evergreen @ Mesquite Total				215,854.83	215,854.83	16,893.61	0.00	0.00	0.00	232,748.44	232,748.44	0.00	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	05/01/09	06/01/09	108,389.40	108,389.40	10.38				108,399.78	108,399.78	-	0.00
Mutual Fund	2003 AB Arlington Villas	0.01	05/01/09	06/01/09	13,606.64	13,606.64	5,858.68				19,465.32	19,465.32	-	0.00
	2003 AB Arlington Villas Total				121,996.04	121,996.04	5,869.06	0.00	0.00	0.00	127,865.10	127,865.10	0.00	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	05/01/09	06/01/09	5,710.36	5,710.36	0.14				5,710.50	5,710.50	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	05/01/09	06/01/09	78,661.42	78,661.42	9,195.42				87,856.84	87,856.84	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	05/01/09	06/01/09	0.29	0.29	0.19				0.48	0.48	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	05/01/09	06/01/09	408.75	408.75	0.00				408.75	408.75	-	0.00
Mutual Fund	2003 AB Parkview Twnhms	0.01	05/01/09	06/01/09	221,104.82	221,104.82	5.40				221,110.22	221,110.22	-	0.00
	2003 AB Parkview Twnhms Total				305,885.64	305,885.64	9,201.15	0.00	0.00	0.00	315,086.79	315,086.79	0.00	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	05/01/09	06/01/09	262,093.96	262,093.96	64,235.83				326,329.79	326,329.79	-	0.00

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Money Market	2003 MF NHP-Asmara-Refunding	0.01	05/01/09	06/01/09	36,873.01	36,873.01	14,705.25				51,578.26	51,578.26	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	05/01/09	06/01/09	670.56	670.56	12.12				682.68	682.68	-	0.00
Money Market	2003 MF NHP-Asmara-Refunding	0.01	05/01/09	06/01/09	99,578.86	99,578.86	21.61				99,600.47	99,600.47	-	0.00
	2003 MF NHP-Asmara-Refunding Total				399,216.39	399,216.39	78,974.81	0.00	0.00	0.00	478,191.20	478,191.20	0.00	0.00
Money Market	2004 A&B Timber Ridge	0.01	05/01/09	06/01/09	4,908.67	4,908.67	3,028.38				7,937.05	7,937.05	-	0.00
Money Market	2004 A&B Timber Ridge	0.01	05/01/09	06/01/09	52,920.81	52,920.81	609.96				53,530.77	53,530.77	-	0.00
	2004 A&B Timber Ridge Total				57,829.48	57,829.48	3,638.34	0.00	0.00	0.00	61,467.82	61,467.82	0.00	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	30,718.82	30,718.82	18,214.40				48,933.22	48,933.22	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	46,512.54	46,512.54		(31,104.20)			15,408.34	15,408.34	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	9,474.61	9,474.61		(2,877.85)			6,596.76	6,596.76	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	18,236.71	18,236.71	6.52				18,243.23	18,243.23	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	35,017.25	35,017.25	35,834.25				70,851.50	70,851.50	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	91,719.94	91,719.94		(20,185.99)			71,533.95	71,533.95	-	0.00
Money Market	2004 A&B Century Park	0.01	05/01/09	06/01/09	134,222.52	134,222.52	133,913.35				268,135.87	268,135.87	-	0.00
	2004 A&B Century Park Total				365,902.39	365,902.39	187,968.52	(54,168.04)	0.00	0.00	499,702.87	499,702.87	0.00	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	05/01/09	06/01/09	0.17	0.17	0.00				0.17	0.17	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	05/01/09	06/01/09	345.67	345.67	0.11				345.78	345.78	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	05/01/09	06/01/09	64,227.36	64,227.36	8,308.51				72,535.87	72,535.87	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	05/01/09	06/01/09	0.27	0.27	0.29				0.56	0.56	-	0.00
Money Market	2004 A&B MF Veterans Memorial	0.01	05/01/09	06/01/09	0.91	0.91	0.00				0.91	0.91	-	0.00
	2004 A&B MF Veterans Memorial Total				64,574.38	64,574.38	8,308.91	0.00	0.00	0.00	72,883.29	72,883.29	0.00	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	67,092.15	67,092.15	7,644.30				74,736.45	74,736.45	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	1,329.76	1,329.76	0.11				1,329.87	1,329.87	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	0.13	0.13	0.00				0.13	0.13	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09			0.08				0.08	0.08	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	73.25	73.25	0.01				73.26	73.26	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	20,278.33	20,278.33	1.76				20,280.09	20,280.09	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	5,300.63	5,300.63	5,264.49				10,565.12	10,565.12	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	45,049.11	45,049.11	44,456.05				89,505.16	89,505.16	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	0.30	0.30	0.00				0.30	0.30	-	0.00
Money Market	2004 MF Rush Creek Apts	0.01	05/01/09	06/01/09	325.71	325.71	0.02				325.73	325.73	-	0.00
	2004 MF Rush Creek Apts Total				139,449.37	139,449.37	57,366.82	0.00	0.00	0.00	196,816.19	196,816.19	0.00	0.00
Money Market	2004 MF Humble Parkway	0.01	05/01/09	06/01/09	108,373.18	108,373.18	14,409.25				122,782.43	122,782.43	-	0.00
Money Market	2004 MF Humble Parkway	0.01	05/01/09	06/01/09	61,090.83	61,090.83	60,202.78				121,293.61	121,293.61	-	0.00
Money Market	2004 MF Humble Parkway				2.31	2.31		(2.31)					-	0.00
Inv Agmt	2004 MF Humble Parkway	3.65	11/16/05	02/01/10	105,322.05	105,322.05	288,679.59				394,001.64	394,001.64	-	0.00
Money Market	2004 MF Humble Parkway	0.01	05/01/09	06/01/09	5,303.53	5,303.53	10,751.68				16,055.21	16,055.21	-	0.00
	2004 MF Humble Parkway Total				280,091.90	280,091.90	374,043.30	(2.31)	0.00	0.00	654,132.89	654,132.89	0.00	0.00
Money Market	2004 MF Chisholm Trail Apts	0.05	05/01/09	06/01/09	1,445.52	1,445.52	0.00				1,445.52	1,445.52	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.01	05/01/09	06/01/09	100,432.68	100,432.68		(61,568.19)			38,864.49	38,864.49	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.05	05/01/09	06/01/09	2,262.31	2,262.31	20.83				2,283.14	2,283.14	-	0.00
Money Market	2004 MF Chisholm Trail Apts	0.05	05/01/09	06/01/09	14,547.03	14,547.03		(1,900.00)			12,647.03	12,647.03	-	0.00
	2004 MF Chisholm Trail Apts Total				118,687.54	118,687.54	20.83	(63,468.19)	0.00	0.00	55,240.18	55,240.18	0.00	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	118,248.75	118,248.75		(53,601.21)			64,647.54	64,647.54	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	19,220.59	19,220.59	7,094.00				26,314.59	26,314.59	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	2,172.22	2,172.22	1.05				2,173.27	2,173.27	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	7,110.52	7,110.52	117.31				7,227.83	7,227.83	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	80.34	80.34	79,662.80				79,743.14	79,743.14	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	1,161.96	1,161.96	2.11				1,164.07	1,164.07	-	0.00
Money Market	2004 MF Evergreen at Plano	0.05	05/01/09	06/01/09	170,040.61	170,040.61	13,343.86				183,384.47	183,384.47	-	0.00
	2004 MF Evergreen at Plano Total				318,034.99	318,034.99	100,221.13	(53,601.21)	0.00	0.00	364,654.91	364,654.91	0.00	0.00
Money Market	2004 MF Montgomery Pines Apts	0.05	05/01/09	06/01/09	14,305.85	14,305.85		(7,229.77)			7,076.08	7,076.08	-	0.00

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Money Market	2004 MF Montgomery Pines Apts	0.05	05/01/09	06/01/09	27,965.77	27,965.77	42,428.31				70,394.08	70,394.08	-	0.00
Money Market	2004 MF Montgomery Pines Apts	0.05	05/01/09	06/01/09	1,086.75	1,086.75	0.52				1,087.27	1,087.27	-	0.00
	2004 MF Montgomery Pines Apts Total				43,358.37	43,358.37	42,428.83	(7,229.77)	0.00	0.00	78,557.43	78,557.43	0.00	0.00
Money Market	2004 MF Bristol Apts	0.05	05/01/09	06/01/09	392.58	392.58	0.19				392.77	392.77	-	0.00
Money Market	2004 MF Bristol Apts	0.05	05/01/09	06/01/09	0.04	0.04	0.00				0.04	0.04	-	0.00
Money Market	2004 MF Bristol Apts	0.05	05/01/09	06/01/09	21,704.56	21,704.56		(5,283.73)			16,420.83	16,420.83	-	0.00
Money Market	2004 MF Bristol Apts	0.05	05/01/09	06/01/09	28,095.77	28,095.77	23,784.13				51,879.90	51,879.90	-	0.00
	2004 MF Bristol Apts Total				50,192.95	50,192.95	23,784.32	(5,283.73)	0.00	0.00	68,693.54	68,693.54	0.00	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	9,081.03	9,081.03		(5,729.72)			3,351.31	3,351.31	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	148,691.12	148,691.12		(73,324.70)			75,366.42	75,366.42	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	1,023.28	1,023.28	3.98				1,027.26	1,027.26	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	51.51	51.51	0.03				51.54	51.54	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	0.08	0.08	0.00				0.08	0.08	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	239.00	239.00	959.06				1,198.06	1,198.06	-	0.00
Money Market	2004 MF Pinnacle Apts	0.05	05/01/09	06/01/09	44.33	44.33	0.03				44.36	44.36	-	0.00
	2004 MF Pinnacle Apts Total				159,130.35	159,130.35	963.10	(79,054.42)	0.00	0.00	81,039.03	81,039.03	0.00	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	102,994.37	102,994.37		(8,544.29)			94,450.08	94,450.08	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	261.51	261.51	0.50				262.01	262.01	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	1,175.62	1,175.62		(0.03)			1,175.59	1,175.59	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	263,351.48	263,351.48		(139,849.91)			123,501.57	123,501.57	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	43,339.19	43,339.19	7,750.55				51,089.74	51,089.74	-	0.00
Money Market	2004 MF Tranquility Bay Apts	0.05	05/01/09	06/01/09	1.96	1.96	0.04				2.00	2.00	-	0.00
	2004 MF Tranquility Bay Apts Total				411,124.13	411,124.13	7,751.09	(148,394.23)	0.00	0.00	270,480.99	270,480.99	0.00	0.00
GNMA	2004 MF Sphinx @ Delafield	5.42	03/01/06	01/15/44	11,093,957.01	11,093,957.01			(25,453.59)		11,068,503.42	11,068,503.42	-	0.00
Inv Agmt	2004 MF Sphinx @ Delafield	3.00	11/22/04	01/20/44	60,174.46	60,174.46	175,662.36				235,836.82	235,836.82	-	0.00
Money Market	2004 MF Sphinx @ Delafield	0.01	05/01/09	06/01/09	8,117.31	8,117.31	2,550.22				10,667.53	10,667.53	-	0.00
	2004 MF Sphinx @ Delafield Total				11,162,248.78	11,162,248.78	178,212.58	0.00	(25,453.59)	0.00	11,315,007.77	11,315,007.77	0.00	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	8,439.05	8,439.05	4.10				8,443.15	8,443.15	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	202,584.83	202,584.83		(53,615.72)			148,969.11	148,969.11	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	358.83	358.83	0.18				359.01	359.01	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	131,920.79	131,920.79	14,211.04				146,131.83	146,131.83	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	2.41	2.41	6,085.93				6,088.34	6,088.34	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	84.39	84.39	54,443.71				54,528.10	54,528.10	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	753.79	753.79	0.37				754.16	754.16	-	0.00
Money Market	2004 MF Churchill @ Pinnacle	0.05	05/01/09	06/01/09	18,973.65	18,973.65	8,469.99				27,443.64	27,443.64	-	0.00
	2004 MF Churchill @ Pinnacle Total				363,117.74	363,117.74	83,215.32	(53,615.72)	0.00	0.00	392,717.34	392,717.34	0.00	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.05	05/01/09	06/01/09	3,041.93	3,041.93	1.47				3,043.40	3,043.40	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.05	05/01/09	06/01/09	2.89	2.89	0.00				2.89	2.89	-	0.00
Money Market	2004 A/B MF Post Oak East Apts	0.05	05/01/09	06/01/09	6.01	6.01	0.00				6.01	6.01	-	0.00
	2004 A/B MF Post Oak East Apts Total				3,050.83	3,050.83	1.47	0.00	0.00	0.00	3,052.30	3,052.30	0.00	0.00
Money Market	2004 MF Village Fair	0.01	05/01/09	06/01/09	148,379.72	148,379.72	68,085.21				216,464.93	216,464.93	-	0.00
Money Market	2004 MF Village Fair	0.01	05/01/09	06/01/09	111,688.88	111,688.88		(262.78)			111,426.10	111,426.10	-	0.00
Money Market	2004 MF Village Fair				8.52	8.52		(8.52)					-	0.00
Money Market	2004 MF Village Fair	0.01	05/01/09	06/01/09	9,823.91	9,823.91	6,863.52				16,687.43	16,687.43	-	0.00
	2004 MF Village Fair Total				269,901.03	269,901.03	74,948.73	(271.30)	0.00	0.00	344,578.46	344,578.46	0.00	0.00
Money Market	2005 MF Pecan Grove	0.01	05/01/09	06/01/09	0.34	0.34	0.22				0.56	0.56	-	0.00
Money Market	2005 MF Pecan Grove	0.01	05/01/09	06/01/09	0.02	0.02	0.00				0.02	0.02	-	0.00
	2005 MF Pecan Grove Total				0.36	0.36	0.22	0.00	0.00	0.00	0.58	0.58	0.00	0.00
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	17,931.98	17,931.98	7,514.29				25,446.27	25,446.27	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	73,923.96	73,923.96	8,134.88				82,058.84	82,058.84	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	371,361.43	371,361.43	9.05				371,370.48	371,370.48	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	25,573.44	25,573.44	0.63				25,574.07	25,574.07	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	89,190.43	89,190.43		(442.51)			88,747.92	88,747.92	-	0.00
Money Market	2005 MF Prairie Oaks	0.01	05/01/09	06/01/09	92,645.26	92,645.26	55,096.87				147,742.13	147,742.13	-	0.00
	2005 MF Prairie Oaks Total				670,626.50	670,626.50	70,755.72	(442.51)	0.00	0.00	740,939.71	740,939.71	0.00	0.00
Money Market	2005 MF Port Royal	0.01	05/01/09	06/01/09	0.28	0.28	0.18				0.46	0.46	-	0.00
	2005 MF Port Royal Total				0.28	0.28	0.18	0.00	0.00	0.00	0.46	0.46	0.00	0.00
Money Market	2005 MF Mission Del Rio				5,124.73	5,124.73		(5,124.73)					-	0.00
Money Market	2005 MF Mission Del Rio				2,104.88	2,104.88		(2,104.88)					-	0.00
Money Market	2005 MF Mission Del Rio	0.01	05/01/09	06/01/09	0.09	0.09	7,230.29				7,230.38	7,230.38	-	0.00
Money Market	2005 MF Mission Del Rio	0.01	05/01/09	06/01/09	58.67	58.67	0.00				58.67	58.67	-	0.00
Money Market	2005 MF Mission Del Rio				0.84	0.84		(0.84)					-	0.00
	2005 MF Mission Del Rio Total				7,289.21	7,289.21	7,230.29	(7,230.45)	0.00	0.00	7,289.05	7,289.05	0.00	0.00
Money Market	2005 MF Atascocita Apts	0.01	05/01/09	06/01/09	25,149.40	25,149.40		(17,599.54)			7,549.86	7,549.86	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	05/01/09	06/01/09			0.48				0.48	0.48	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	05/01/09	06/01/09	27.00	27.00	0.00				27.00	27.00	-	0.00
Money Market	2005 MF Atascocita Apts	0.01	05/01/09	06/01/09	63,329.95	63,329.95	28,624.87				91,954.82	91,954.82	-	0.00
	2005 MF Atascocita Apts Total				88,506.35	88,506.35	28,625.35	(17,599.54)	0.00	0.00	99,532.16	99,532.16	0.00	0.00
Money Market	2005 MF Tower Ridge	0.00	05/01/09	06/01/09	31,438.96	31,438.96		(14,126.94)			17,312.02	17,312.02	-	0.00
Money Market	2005 MF Tower Ridge	0.00	05/01/09	06/01/09	916.50	916.50	0.00				916.50	916.50	-	0.00
Money Market	2005 MF Tower Ridge	0.10	05/01/09	06/01/09	86.21	86.21	0.00				86.21	86.21	-	0.00
Money Market	2005 MF Tower Ridge	0.10	05/01/09	06/01/09	1,826.65	1,826.65	0.01				1,826.66	1,826.66	-	0.00
	2005 MF Tower Ridge Total				34,268.32	34,268.32	0.01	(14,126.94)	0.00	0.00	20,141.39	20,141.39	0.00	0.00
GNMA	2005 MF Prairie Ranch	4.99	03/28/06	01/15/45	11,976,879.80	11,976,879.80			(28,444.56)		11,948,435.24	11,948,435.24	-	0.00
Inv Agmt	2005 MF Prairie Ranch	3.25	12/06/05	01/20/45	133,738.63	133,738.63	177,738.45				311,477.08	311,477.08	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	05/01/09	06/01/09	3,584.18	3,584.18	0.78				3,584.96	3,584.96	-	0.00
Money Market	2005 MF Prairie Ranch	0.01	05/01/09	06/01/09	24,357.22	24,357.22		(9,717.31)			14,639.91	14,639.91	-	0.00
	2005 MF Prairie Ranch Total				12,138,559.83	12,138,559.83	177,739.23	(9,717.31)	(28,444.56)	0.00	12,278,137.19	12,278,137.19	0.00	0.00
Money Market	2005 MF St. Augustine	0.05	05/01/09	06/01/09	0.05	0.05	0.00				0.05	0.05	-	0.00
Money Market	2005 MF St. Augustine	0.05	05/01/09	06/01/09	13,564.97	13,564.97	20,621.15				34,186.12	34,186.12	-	0.00
Money Market	2005 MF St. Augustine	0.05	05/01/09	06/01/09	18,684.09	18,684.09	2,813.07				21,497.16	21,497.16	-	0.00
Money Market	2005 MF St. Augustine	0.05	05/01/09	06/01/09	3.46	3.46	8.86				12.32	12.32	-	0.00
	2005 MF St. Augustine Total				32,252.57	32,252.57	23,443.08	0.00	0.00	0.00	55,695.65	55,695.65	0.00	0.00
Mutual Fund	2005 MF Park Manor	0.00	05/01/09	06/01/09	101.21	101.21	0.01				101.22	101.22	-	0.00
Money Market	2005 MF Park Manor	0.00	05/01/09	06/01/09	118.93	118.93	0.01				118.94	118.94	-	0.00
Money Market	2005 MF Park Manor	0.00	05/01/09	06/01/09	9,301.28	9,301.28	1.51				9,302.79	9,302.79	-	0.00
	2005 MF Park Manor Total				9,521.42	9,521.42	1.53	0.00	0.00	0.00	9,522.95	9,522.95	0.00	0.00
Money Market	2005 MF Pr Mockingbird	0.01	05/01/09	06/01/09	51,188.23	51,188.23		(400.38)			50,787.85	50,787.85	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	05/01/09	06/01/09	22,477.69	22,477.69	67,432.10				89,909.79	89,909.79	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	05/01/09	06/01/09	113,029.64	113,029.64		(556.95)			112,472.69	112,472.69	-	0.00
Money Market	2005 MF Pr Mockingbird	0.01	05/01/09	06/01/09	25,561.21	25,561.21	8,017.73				33,578.94	33,578.94	-	0.00
	2005 MF Pr Mockingbird Total				212,256.77	212,256.77	75,449.83	(957.33)	0.00	0.00	286,749.27	286,749.27	0.00	0.00
Money Market	2005 MF Pl @ Chase Oaks	0.05	05/01/09	06/01/09	411.00	411.00	0.19				411.19	411.19	-	0.00
Money Market	2005 MF Pl @ Chase Oaks	0.05	05/01/09	06/01/09	120.00	120.00	0.06				120.06	120.06	-	0.00
	2005 MF Pl @ Chase Oaks Total				531.00	531.00	0.25	0.00	0.00	0.00	531.25	531.25	0.00	0.00
Money Market	2005 MF Canal Place	0.01	05/01/09	06/01/09	23,628.58	23,628.58		(1,803.15)			21,825.43	21,825.43	-	0.00
Money Market	2005 MF Canal Place	0.01	05/01/09	06/01/09	101,664.08	101,664.08	2.97				101,667.05	101,667.05	-	0.00
Money Market	2005 MF Canal Place	0.01	05/01/09	06/01/09	15,373.37	15,373.37	5,656.57				21,029.94	21,029.94	-	0.00
	2005 MF Canal Place Total				140,666.03	140,666.03	5,659.54	(1,803.15)	0.00	0.00	144,522.42	144,522.42	0.00	0.00
Money Market	2006 MF Coral Hills	0.00	05/01/09	06/01/09	87,392.94	87,392.94	73,383.14				160,776.08	160,776.08	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
	2006 MF Coral Hills Total				87,392.94	87,392.94	73,383.14	0.00	0.00	0.00	160,776.08	160,776.08	0.00	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09	77,393.36	77,393.36		(52,648.78)			24,744.58	24,744.58	-	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09			100,000.00				100,000.00	100,000.00	-	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09	4,733.28	4,733.28	0.12				4,733.40	4,733.40	-	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09	25,506.95	25,506.95		(5,645.55)			19,861.40	19,861.40	-	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09	3,555.81	3,555.81	0.09				3,555.90	3,555.90	-	0.00
Money Market	2006 MF Harris Branch	0.01	05/01/09	06/01/09	17,321.79	17,321.79	1.17				17,322.96	17,322.96	-	0.00
	2006 MF Harris Branch Total				128,511.19	128,511.19	100,001.38	(58,294.33)	0.00	0.00	170,218.24	170,218.24	0.00	0.00
Money Market	2006 MF Bella Vista	0.01	05/01/09	06/01/09	8,327.11	8,327.11	30,177.50				38,504.61	38,504.61	-	0.00
Money Market	2006 MF Bella Vista	0.01	05/01/09	06/01/09	240,383.59	240,383.59	5.86				240,389.45	240,389.45	-	0.00
Money Market	2006 MF Bella Vista	0.01	05/01/09	06/01/09	42,380.12	42,380.12		(34,880.09)			7,500.03	7,500.03	-	0.00
Money Market	2006 MF Bella Vista	0.01	05/01/09	06/01/09	175,816.13	175,816.13		(106,730.96)			69,085.17	69,085.17	-	0.00
Money Market	2006 MF Bella Vista	0.01	05/01/09	06/01/09	290.80	290.80	3,755.36				4,046.16	4,046.16	-	0.00
Money Market	2006 MF Bella Vista				364.40	364.40		(364.40)					-	0.00
	2006 MF Bella Vista Total				467,562.15	467,562.15	33,938.72	(141,975.45)	0.00	0.00	359,525.42	359,525.42	0.00	0.00
Money Market	2006 MF Village Park	0.00	05/01/09	06/01/09	3.82	3.82	3,500.00				3,503.82	3,503.82	-	0.00
Money Market	2006 MF Village Park	0.00	05/01/09	06/01/09	258,200.68	258,200.68	191,391.21				449,591.89	449,591.89	-	0.00
	2006 MF Village Park Total				258,204.50	258,204.50	194,891.21	0.00	0.00	0.00	453,095.71	453,095.71	0.00	0.00
Money Market	2006 MF Oakmoor	0.05	05/01/09	06/01/09	30,319.61	30,319.61		(11.80)			30,307.81	30,307.81	-	0.00
Money Market	2006 MF Oakmoor	0.05	05/01/09	06/01/09	16,535.86	16,535.86	16,543.22				33,079.08	33,079.08	-	0.00
Money Market	2006 MF Oakmoor	0.05	05/01/09	06/01/09	880.69	880.69	79,756.18				80,636.87	80,636.87	-	0.00
Money Market	2006 MF Oakmoor	0.05	05/01/09	06/01/09	50,409.72	50,409.72	82,414.37				132,824.09	132,824.09	-	0.00
	2006 MF Oakmoor Total				98,145.88	98,145.88	178,713.77	(11.80)	0.00	0.00	276,847.85	276,847.85	0.00	0.00
Money Market	2006 MF Sunset Pointe	0.15	05/01/09	06/01/09	1,193.47	1,193.47	1.16				1,194.63	1,194.63	-	0.00
	2006 MF Sunset Pointe Total				1,193.47	1,193.47	1.16	0.00	0.00	0.00	1,194.63	1,194.63	0.00	0.00
Money Market	2006 MF Hillcrest	0.00	05/01/09	06/01/09	4,909.69	4,909.69	0.00				4,909.69	4,909.69	-	0.00
Money Market	2006 MF Hillcrest	0.00	05/01/09	06/01/09	393,734.37	393,734.37		(159,478.86)			234,255.51	234,255.51	-	0.00
Money Market	2006 MF Hillcrest	0.00	05/01/09	06/01/09	373,479.15	373,479.15	0.00				373,479.15	373,479.15	-	0.00
Money Market	2006 MF Hillcrest	0.00	05/01/09	06/01/09	24.60	24.60	0.00				24.60	24.60	-	0.00
	2006 MF Hillcrest Total				772,147.81	772,147.81	0.00	(159,478.86)	0.00	0.00	612,668.95	612,668.95	0.00	0.00
Money Market	2006 MF Pleasant Village	0.00	05/01/09	06/01/09	119,042.41	119,042.41	5,667.71				124,710.12	124,710.12	-	0.00
Mutual Fund	2006 MF Pleasant Village	0.00	05/01/09	06/01/09	25,030.63	25,030.63		(2,446.02)			22,584.61	22,584.61	-	0.00
Money Market	2006 MF Pleasant Village	0.00	05/01/09	06/01/09	3,089.11	3,089.11	0.41				3,089.52	3,089.52	-	0.00
Money Market	2006 MF Pleasant Village	0.00	05/01/09	06/01/09	36,295.12	36,295.12	0.00				36,295.12	36,295.12	-	0.00
	2006 MF Pleasant Village Total				183,457.27	183,457.27	5,668.12	(2,446.02)	0.00	0.00	186,679.37	186,679.37	0.00	0.00
Money Market	2006 MF Grove Village	0.00	05/01/09	06/01/09	139,414.24	139,414.24		(5,326.76)			134,087.48	134,087.48	-	0.00
Money Market	2006 MF Grove Village	0.00	05/01/09	06/01/09	12.87	12.87	0.00				12.87	12.87	-	0.00
Money Market	2006 MF Grove Village	0.00	05/01/09	06/01/09	11,455.06	11,455.06	6,103.89				17,558.95	17,558.95	-	0.00
Money Market	2006 MF Grove Village	0.00	05/01/09	06/01/09	2.61	2.61	0.00				2.61	2.61	-	0.00
Money Market	2006 MF Grove Village	0.00	05/01/09	06/01/09	37,383.97	37,383.97	0.00				37,383.97	37,383.97	-	0.00
	2006 MF Grove Village Total				188,268.75	188,268.75	6,103.89	(5,326.76)	0.00	0.00	189,045.88	189,045.88	0.00	0.00
Money Market	2006 MF Red Hills	0.01	05/01/09	06/01/09	21,089.56	21,089.56	2,949.10				24,038.66	24,038.66	-	0.00
Money Market	2006 MF Red Hills	0.01	05/01/09	06/01/09	85,994.92	85,994.92	10,180.12				96,175.04	96,175.04	-	0.00
Money Market	2006 MF Red Hills	0.01	05/01/09	06/01/09	0.15	0.15	0.48				0.63	0.63	-	0.00
	2006 MF Red Hills Total				107,084.63	107,084.63	13,129.70	0.00	0.00	0.00	120,214.33	120,214.33	0.00	0.00
Money Market	2006 MF Champion Crossing	0.01	05/01/09	06/01/09	97.36	97.36	0.00				97.36	97.36	-	0.00
Money Market	2006 MF Champion Crossing	0.01	05/01/09	06/01/09	20,405.21	20,405.21	2,916.71				23,321.92	23,321.92	-	0.00
Money Market	2006 MF Champion Crossing	0.01	05/01/09	06/01/09	54,174.30	54,174.30	17,021.38				71,195.68	71,195.68	-	0.00
Money Market	2006 MF Champion Crossing	0.01	05/01/09	06/01/09	0.14	0.14	0.47				0.61	0.61	-	0.00
	2006 MF Champion Crossing Total				74,677.01	74,677.01	19,938.56	0.00	0.00	0.00	94,615.57	94,615.57	0.00	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Money Market	2006 MF Stonehaven	0.01	05/01/09	06/01/09	67,900.45	67,900.45		(60,986.24)			6,914.21	6,914.21	-	0.00
	2006 MF Stonehaven Total				67,900.45	67,900.45	0.00	(60,986.24)	0.00	0.00	6,914.21	6,914.21	0.00	0.00
Money Market	2006 MF Center Ridge	0.00	05/01/09	06/01/09	79.60	79.60	0.00				79.60	79.60	-	0.00
Money Market	2006 MF Center Ridge				1,545.14	1,545.14		(1,545.14)					-	0.00
Money Market	2006 MF Center Ridge	0.00	05/01/09	06/01/09	182,877.95	182,877.95		(171,319.62)			11,558.33	11,558.33	-	0.00
	2006 MF Center Ridge Total				184,502.69	184,502.69	0.00	(172,864.76)	0.00	0.00	11,637.93	11,637.93	0.00	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	902,727.44	902,727.44	0.00				902,727.44	902,727.44	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	22,124.00	22,124.00	0.07				22,124.07	22,124.07	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	25,252.93	25,252.93	183,102.31				208,355.24	208,355.24	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	3,512.50	3,512.50	4,693.79				8,206.29	8,206.29	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09			3,933.33				3,933.33	3,933.33	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	253,315.91	253,315.91	0.00				253,315.91	253,315.91	-	0.00
Money Market	2006 MF Meadowlands	0.00	05/01/09	06/01/09	31.94	31.94	0.00				31.94	31.94	-	0.00
	2006 MF Meadowlands Total				1,206,964.72	1,206,964.72	191,729.50	0.00	0.00	0.00	1,398,694.22	1,398,694.22	0.00	0.00
Money Market	2006 MF East Texas Pines	0.01	05/01/09	06/01/09	15,791.31	15,791.31	5.39				15,796.70	15,796.70	-	0.00
Money Market	2006 MF East Texas Pines	0.01	05/01/09	06/01/09	248,601.20	248,601.20		(118,062.42)			130,538.78	130,538.78	-	0.00
Money Market	2006 MF East Texas Pines	0.01	05/01/09	06/01/09	41,726.66	41,726.66	20,834.48				62,561.14	62,561.14	-	0.00
	2006 MF East Texas Pines Total				306,119.17	306,119.17	20,839.87	(118,062.42)	0.00	0.00	208,896.62	208,896.62	0.00	0.00
Money Market	2006 MF Villas at Henderson	0.01	05/01/09	06/01/09	3.11	3.11	0.00				3.11	3.11	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	05/01/09	06/01/09	19.00	19.00	0.00				19.00	19.00	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	05/01/09	06/01/09	8.38	8.38	0.00				8.38	8.38	-	0.00
Money Market	2006 MF Villas at Henderson	0.01	05/01/09	06/01/09	13,456.21	13,456.21	5,374.71				18,830.92	18,830.92	-	0.00
	2006 MF Villas at Henderson Total				13,486.70	13,486.70	5,374.71	0.00	0.00	0.00	18,861.41	18,861.41	0.00	0.00
Money Market	2006 MF Aspen Parks Apts	0.01	05/01/09	06/01/09	137,606.17	137,606.17	146,962.82				284,568.99	284,568.99	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.01	05/01/09	06/01/09	6,650.21	6,650.21	1.59				6,651.80	6,651.80	-	0.00
Money Market	2006 MF Aspen Parks Apts	0.01	05/01/09	06/01/09	512.92	512.92	0.12				513.04	513.04	-	0.00
	2006 MF Aspen Parks Apts Total				144,769.30	144,769.30	146,964.53	0.00	0.00	0.00	291,733.83	291,733.83	0.00	0.00
Money Market	2006 MF Idlewilde Apts	0.01	05/01/09	06/01/09	24,529.00	24,529.00	6,363.34				30,892.34	30,892.34	-	0.00
Money Market	2006 MF Idlewilde Apts	0.01	05/01/09	06/01/09	38,363.83	38,363.83	29,298.51				67,662.34	67,662.34	-	0.00
Money Market	2006 MF Idlewilde Apts	0.01	05/01/09	06/01/09	22,607.16	22,607.16	1.18				22,608.34	22,608.34	-	0.00
	2006 MF Idlewilde Apts Total				85,499.99	85,499.99	35,663.03	0.00	0.00	0.00	121,163.02	121,163.02	0.00	0.00
Money Market	2007 MF Landcaster Apts	0.01	05/01/09	06/01/09	22,421.15	22,421.15	6,375.84				28,796.99	28,796.99	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	05/01/09	06/01/09	888.02	888.02	0.00				888.02	888.02	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	05/01/09	06/01/09	38,363.83	38,363.83	29,298.51				67,662.34	67,662.34	-	0.00
Money Market	2007 MF Landcaster Apts	0.01	05/01/09	06/01/09	28,828.08	28,828.08	1.30				28,829.38	28,829.38	-	0.00
	2007 MF Landcaster Apts Total				90,501.08	90,501.08	35,675.65	0.00	0.00	0.00	126,176.73	126,176.73	0.00	0.00
Money Market	2007 MF Park Place	0.00	05/01/09	06/01/09	408,404.35	408,404.35		(220,186.00)			188,218.35	188,218.35	-	0.00
Money Market	2007 MF Park Place	0.00	05/01/09	06/01/09	830,774.62	830,774.62		(2,496.28)			828,278.34	828,278.34	-	0.00
Money Market	2007 MF Park Place	0.00	05/01/09	06/01/09			4,029.00				4,029.00	4,029.00	-	0.00
Money Market	2007 MF Park Place	0.00	05/01/09	06/01/09	13,230.01	13,230.01		(6,299.96)			6,930.05	6,930.05	-	0.00
	2007 MF Park Place Total				1,252,408.98	1,252,408.98	4,029.00	(228,982.24)	0.00	0.00	1,027,455.74	1,027,455.74	0.00	0.00
Money Market	2007 MF Terrace @ Cibolo				205,890.63	205,890.63		(205,890.63)					-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	05/01/09	06/01/09	267,123.01	267,123.01		(41,925.26)			225,197.75	225,197.75	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	05/01/09	06/01/09	26,904.98	26,904.98	0.66				26,905.64	26,905.64	-	0.00
Money Market	2007 MF Terrace @ Cibolo	0.01	05/01/09	06/01/09	10,939.77	10,939.77	3,181.24				14,121.01	14,121.01	-	0.00
	2007 MF Terrace @ Cibolo Total				510,858.39	510,858.39	3,181.90	(247,815.89)	0.00	0.00	266,224.40	266,224.40	0.00	0.00
Money Market	2007 MF Santora Villas	0.00	05/01/09	06/01/09	100,000.00	100,000.00		(57,103.36)			42,896.64	42,896.64	-	0.00
Money Market	2007 MF Santora Villas				132,440.63	132,440.63		(132,440.63)					-	0.00
Money Market	2007 MF Santora Villas	0.00	05/01/09	06/01/09	1,621,019.92	1,621,019.92		(202,494.44)			1,418,525.48	1,418,525.48	-	0.00

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Money Market	2007 MF Santora Villas	0.00	05/01/09	06/01/09	1,530.03	1,530.03	0.00				1,530.03	1,530.03	-	0.00
	2007 MF Santora Villas Total				1,854,990.58	1,854,990.58	0.00	(392,038.43)	0.00	0.00	1,462,952.15	1,462,952.15	0.00	0.00
GNMA	2007 A/B MF Villas @ Mesquite	5.17	07/30/07	03/15/11	15,992,171.00	15,992,171.00	2,376.00				15,994,547.00	15,994,547.00	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	05/01/09	06/01/09			2,614.10				2,614.10	2,614.10	-	0.00
GICs	2007 A/B MF Villas @ Mesquite	5.04	06/26/07	01/15/10	853,914.22	853,914.22		(5,000.00)			848,914.22	848,914.22	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	05/01/09	06/01/09	3,945.45	3,945.45		(377.18)			3,568.27	3,568.27	-	0.00
GICs	2007 A/B MF Villas @ Mesquite	4.78	08/23/07	07/20/47	107,731.10	107,731.10	217,883.90				325,615.00	325,615.00	-	0.00
Money Market	2007 A/B MF Villas @ Mesquite	0.01	05/01/09	06/01/09	14,015.86	14,015.86	0.44				14,016.30	14,016.30	-	0.00
	2007 A/B MF Villas @ Mesquite Total				16,971,777.63	16,971,777.63	222,874.44	(5,377.18)	0.00	0.00	17,189,274.89	17,189,274.89	0.00	0.00
Money Market	2007 MF Summit Point	0.01	05/01/09	06/01/09	10,015.43	10,015.43	2.41				10,017.84	10,017.84	-	0.00
GNMA	2007 MF Summit Point	5.32	07/30/07	07/15/09	11,674,248.00	11,674,248.00	0.00				11,674,248.00	11,674,248.00	-	0.00
Money Market	2007 MF Summit Point	0.01	05/01/09	06/01/09	223,454.93	223,454.93	155,345.57				378,800.50	378,800.50	-	0.00
Money Market	2007 MF Summit Point	0.01	05/01/09	06/01/09	0.24	0.24	0.00				0.24	0.24	-	0.00
	2007 MF Summit Point Total				11,907,718.60	11,907,718.60	155,347.98	0.00	0.00	0.00	12,063,066.58	12,063,066.58	0.00	0.00
Money Market	2007 MF Costa Rialto	0.01	05/01/09	06/01/09	55,095.77	55,095.77		(55,095.75)			0.02	0.02	-	0.00
	2007 MF Costa Rialto Total				55,095.77	55,095.77	0.00	(55,095.75)	0.00	0.00	0.02	0.02	0.00	0.00
Money Market	2007 MF Windshire Apts	0.01	05/01/09	06/01/09	14,860.59	14,860.59	5,422.08				20,282.67	20,282.67	-	0.00
Money Market	2007 MF Windshire Apts	0.01	05/01/09	06/01/09	313,715.28	313,715.28		(313,651.10)			64.18	64.18	-	0.00
Money Market	2007 MF Windshire Apts	0.01	05/01/09	06/01/09	2,505,003.64	2,505,003.64		(1,992,873.80)			512,129.84	512,129.84	-	0.00
Money Market	2007 MF Windshire Apts				50,317.55	50,317.55		(50,317.55)					-	0.00
Money Market	2007 MF Windshire Apts	0.01	05/01/09	06/01/09	9,384.09	9,384.09	0.77				9,384.86	9,384.86	-	0.00
Money Market	2007 MF Windshire Apts	0.01	05/01/09	06/01/09	39.78	39.78	0.00				39.78	39.78	-	0.00
	2007 MF Windshire Apts Total				2,893,320.93	2,893,320.93	5,422.85	(2,356,842.45)	0.00	0.00	541,901.33	541,901.33	0.00	0.00
Money Market	2007 MF Residences @ Onion Crk	0.41	05/01/09	06/01/09	32,222.83	32,222.83	225,317.84				257,540.67	257,540.67	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.41	05/01/09	06/01/09	7,679,362.80	7,679,362.80		(2,431,147.85)			5,248,214.95	5,248,214.95	-	0.00
Money Market	2007 MF Residences @ Onion Crk	0.41	05/01/09	06/01/09	147.76	147.76	0.11				147.87	147.87	-	0.00
	2007 MF Residences @ Onion Crk Total				7,711,733.39	7,711,733.39	225,317.95	(2,431,147.85)	0.00	0.00	5,505,903.49	5,505,903.49	0.00	0.00
Money Market	2008 MF West Oaks Apts	0.01	05/01/09	06/01/09	3,797,787.13	3,797,787.13		(1,479,018.64)			2,318,768.49	2,318,768.49	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	05/01/09	06/01/09	27.28	27.28	0.67				27.95	27.95	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	05/01/09	06/01/09	283,036.60	283,036.60		(55,163.05)			227,873.55	227,873.55	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	05/01/09	06/01/09	7,191.78	7,191.78		(697.61)			6,494.17	6,494.17	-	0.00
Money Market	2008 MF West Oaks Apts	0.01	05/01/09	06/01/09	20,248.69	20,248.69		(10,842.86)			9,405.83	9,405.83	-	0.00
	2008 MF West Oaks Apts Total				4,108,291.48	4,108,291.48	0.67	(1,545,722.16)	0.00	0.00	2,562,569.99	2,562,569.99	0.00	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	05/01/09	06/01/09	5.20	5.20	0.00				5.20	5.20	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	05/01/09	06/01/09	144.99	144.99	259.82				404.81	404.81	-	0.00
Money Market	2008 MF Costa Ibiza Apts	0.01	05/01/09	06/01/09	5,381,201.31	5,381,201.31		(4,681,809.39)			699,391.92	699,391.92	-	0.00
	2008 MF Costa Ibiza Apts Total				5,381,351.50	5,381,351.50	259.82	(4,681,809.39)	0.00	0.00	699,801.93	699,801.93	0.00	0.00
Money Market	2008 MF Addison Park Apts	0.01	05/01/09	06/01/09	1.60	1.60	0.00				1.60	1.60	-	0.00
Mutual Fund	2008 MF Addison Park Apts	0.01	05/01/09	06/01/09	62,857.87	62,857.87		(61,803.29)			1,054.58	1,054.58	-	0.00
Money Market	2008 MF Addison Park Apts	0.01	05/01/09	06/01/09			100,000.00				100,000.00	100,000.00	-	0.00
	2008 MF Addison Park Apts Total				62,859.47	62,859.47	100,000.00	(61,803.29)	0.00	0.00	101,056.18	101,056.18	0.00	0.00
Money Market	2008 MF Alta Cullen Ref	0.05	05/01/09	06/01/09	0.10	0.10	0.35				0.45	0.45	-	0.00
Money Market	2008 MF Alta Cullen Ref	0.05	05/01/09	06/01/09	3,266.18	3,266.18	10,219.70				13,485.88	13,485.88	-	0.00
	2008 MF Alta Cullen Ref Total				3,266.28	3,266.28	10,220.05	0.00	0.00	0.00	13,486.33	13,486.33	0.00	0.00
Money Market	2009 MF Costa Mariposa	0.01	05/01/09	06/01/09			10,082,729.10				10,082,729.10	10,082,729.10	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	05/01/09	06/01/09			69,825.85				69,825.85	69,825.85	-	0.00
Money Market	2009 MF Costa Mariposa	0.01	05/01/09	06/01/09			17,400.00				17,400.00	17,400.00	-	0.00
	2009 MF Costa Mariposa Total				0.00	0.00	10,169,954.95	0.00	0.00	0.00	10,169,954.95	10,169,954.95	0.00	0.00
	Total Multi-Family Investment Summary				112,358,156.45	112,358,156.45	17,681,004.40	(16,201,368.94)	(92,239.95)	0.00	113,745,551.96	113,745,551.96	0.00	0.00

Texas Department of Housing and Community Affairs
Commercial Paper Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	Commercial Paper	0.18	05/29/09	06/01/09	163,972.41	163,972.41		(137,560.29)			26,412.12	26,412.12	-	0.00
Commercial Paper	Commercial Paper	0.00	10/14/08	07/10/09	71,431,000.00	71,431,000.00	0.00				71,431,000.00	71,431,000.00	-	0.00
	Commercial Paper Total				71,594,972.41	71,594,972.41	0.00	(137,560.29)	0.00	0.00	71,457,412.12	71,457,412.12	0.00	0.00
	Total Commercial Paper Investment Summary				71,594,972.41	71,594,972.41	0.00	(137,560.29)	0.00	0.00	71,457,412.12	71,457,412.12	0.00	0.00

Texas Department of Housing and Community Affairs
General Fund Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	7,266,339.16	7,266,339.16	239,104.20				7,505,443.36	7,505,443.36	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	225,431.38	225,431.38	108.35				225,539.73	225,539.73	-	0.00
Repo Agmt	General Fund				807,675.37	807,675.37		(807,675.37)					-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	63,592.72	63,592.72	30.64				63,623.36	63,623.36	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	1,049,011.15	1,049,011.15		(112,999.70)			936,011.45	936,011.45	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	501,775.76	501,775.76	241.16				502,016.92	502,016.92	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	341,044.26	341,044.26		(297,296.83)			43,747.43	43,747.43	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09			86,055.94				86,055.94	86,055.94	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	344,599.32	344,599.32	165.67				344,764.99	344,764.99	-	0.00
Repo Agmt	General Fund				415,346.43	415,346.43		(415,346.43)					-	0.00
Repo Agmt	General Fund				113,878.85	113,878.85		(113,878.85)					-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	427,140.64	427,140.64	205.33				427,345.97	427,345.97	-	0.00
Repo Agmt	General Fund				240,427.17	240,427.17		(240,427.17)					-	0.00
Repo Agmt	General Fund				225,019.92	225,019.92		(225,019.92)					-	0.00
Repo Agmt	General Fund				31,200.00	31,200.00		(31,200.00)					-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	1,385,390.75	1,385,390.75	135,987.04				1,521,377.79	1,521,377.79	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	233,541.50	233,541.50	112.23				233,653.73	233,653.73	-	0.00
Repo Agmt	General Fund	0.18	05/29/09	06/01/09	15,052.78	15,052.78		(12,995.94)			2,056.84	2,056.84	-	0.00
	General Fund Total				13,686,467.16	13,686,467.16	462,010.56	(2,256,840.21)	0.00	0.00	11,891,637.51	11,891,637.51	0.00	0.00
	Total General Fund Investment Summary				13,686,467.16	13,686,467.16	462,010.56	(2,256,840.21)	0.00	0.00	11,891,637.51	11,891,637.51	0.00	0.00

Texas Department of Housing and Community Affairs
Housing Trust Fund Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	Housing Assistance Fund	0.18	05/29/09	06/01/09	202,892.85	202,892.85	11,971.64				214,864.49	214,864.49	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	33,384.59	33,384.59	0.00				33,384.59	33,384.59	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	32,848.58	32,848.58	19,459.46				52,308.04	52,308.04	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	467,306.27	467,306.27	1,606.99				468,913.26	468,913.26	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	106,636.97	106,636.97	2,725.41				109,362.38	109,362.38	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	97,186.22	97,186.22	11.92				97,198.14	97,198.14	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	800,102.61	800,102.61		(710,805.00)			89,297.61	89,297.61	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	91,177.75	91,177.75	9.38				91,187.13	91,187.13	-	0.00
Repo Agmt	Housing Trust Fund				610,572.32	610,572.32		(610,572.32)					-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	250,530.11	250,530.11	91,599.74				342,129.85	342,129.85	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	1,062,816.00	1,062,816.00		(7,722.00)			1,055,094.00	1,055,094.00	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	250,000.00	250,000.00	0.00				250,000.00	250,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09	1,000,000.00	1,000,000.00	0.00				1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09			1,881,607.32				1,881,607.32	1,881,607.32	-	0.00
Repo Agmt	Housing Trust Fund	0.18	05/29/09	06/01/09			1,200,000.00				1,200,000.00	1,200,000.00	-	0.00
Repo Agmt	General Revenue Appn				173,981.12	173,981.12		(173,981.12)					-	0.00
Repo Agmt	General Revenue Appn	0.18	05/29/09	06/01/09	93,875.40	93,875.40	195,053.84				288,929.24	288,929.24	-	0.00
Repo Agmt	General Revenue Appn	0.18	05/29/09	06/01/09	334,429.30	334,429.30		(334,275.62)			153.68	153.68	-	0.00
Repo Agmt	General Revenue Appn	0.18	05/29/09	06/01/09	844,397.00	844,397.00	0.00				844,397.00	844,397.00	-	0.00
Repo Agmt	General Revenue Appn	0.18	05/29/09	06/01/09	2,000,000.00	2,000,000.00		(20,000.00)			1,980,000.00	1,980,000.00	-	0.00
Repo Agmt	Disaster Recover - GR	0.18	05/29/09	06/01/09	554,245.90	554,245.90		(60,013.15)			494,232.75	494,232.75	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.18	05/29/09	06/01/09	35,000.00	35,000.00	0.00				35,000.00	35,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.18	05/29/09	06/01/09	750,000.00	750,000.00	0.00				750,000.00	750,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.18	05/29/09	06/01/09	1,000,000.00	1,000,000.00	0.00				1,000,000.00	1,000,000.00	-	0.00
Repo Agmt	Housing Trust Fund-GR	0.18	05/29/09	06/01/09			968,350.83				968,350.83	968,350.83	-	0.00
Repo Agmt	Boostrap -GR	0.18	05/29/09	06/01/09	3,650.40	3,650.40	0.00				3,650.40	3,650.40	-	0.00
Repo Agmt	Boostrap -GR	0.18	05/29/09	06/01/09	134,951.98	134,951.98		(25,200.00)			109,751.98	109,751.98	-	0.00
Repo Agmt	Boostrap -GR	0.18	05/29/09	06/01/09	2,548,248.08	2,548,248.08		(540,056.82)			2,008,191.26	2,008,191.26	-	0.00
Repo Agmt	Boostrap -GR	0.18	05/29/09	06/01/09	2,566,782.24	2,566,782.24		(196,447.98)			2,370,334.26	2,370,334.26	-	0.00
Repo Agmt	Boostrap -GR	0.18	05/29/09	06/01/09	97,461.00	97,461.00	0.00				97,461.00	97,461.00	-	0.00
	Housing Trust Fund Total				16,392,476.69	16,392,476.69	4,372,396.53	(2,679,074.01)	0.00	0.00	18,085,799.21	18,085,799.21	0.00	0.00
	Total Housing Trust Fund Investment Summary				16,392,476.69	16,392,476.69	4,372,396.53	(2,679,074.01)	0.00	0.00	18,085,799.21	18,085,799.21	0.00	0.00

Texas Department of Housing and Community Affairs
Administration Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	Administration	0.18	05/29/09	06/01/09	158,701.57	158,701.57	38.55				158,740.12	158,740.12	-	0.00
	Administration Total				158,701.57	158,701.57	38.55	0.00	0.00	0.00	158,740.12	158,740.12	0.00	0.00
	Total Administration Investment Summary				158,701.57	158,701.57	38.55	0.00	0.00	0.00	158,740.12	158,740.12	0.00	0.00

Texas Department of Housing and Community Affairs
Compliance Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	RTC	0.18	05/29/09	06/01/09	100,327.83	100,327.83	12,715.76				113,043.59	113,043.59	-	0.00
Repo Agmt	Multi Family	0.18	05/29/09	06/01/09	769,297.84	769,297.84		(29,934.03)			739,363.81	739,363.81	-	0.00
Repo Agmt	Multi Family	0.18	05/29/09	06/01/09	205,902.32	205,902.32	58.95				205,961.27	205,961.27	-	0.00
Repo Agmt	Low Income Tax Credit Prog	0.18	05/29/09	06/01/09	3,205,568.10	3,205,568.10		(35,269.28)			3,170,298.82	3,170,298.82	-	0.00
	Compliance Total				4,281,096.09	4,281,096.09	12,774.71	(65,203.31)	0.00	0.00	4,228,667.49	4,228,667.49	0.00	0.00
	Total Compliance Investment Summary				4,281,096.09	4,281,096.09	12,774.71	(65,203.31)	0.00	0.00	4,228,667.49	4,228,667.49	0.00	0.00

Texas Department of Housing and Community Affairs
Housing Initiatives Investment Summary
For Period Ending May 31, 2009

Investment Type	Issue	Current Interest Rate	Current Purchase Date	Current Maturity Date	Beginning Carrying Value 02/28/09	Beginning Market Value 02/28/09	Accretions/ Purchases	Amortizations/ Sales	Maturities	Transfers	Ending Carrying Value 05/31/09	Ending Market Value 05/31/09	Change In Market Value	Recognized Gain
Repo Agmt	S/F Interim Construction	0.18	05/29/09	06/01/09	536,325.17	536,325.17	201.62				536,526.79	536,526.79	-	0.00
Repo Agmt	S/F Interim Construction	0.18	05/29/09	06/01/09	197.66	197.66	0.00				197.66	197.66	-	0.00
Repo Agmt	S/F Interim Construction	0.18	05/29/09	06/01/09	7.26	7.26	0.00				7.26	7.26	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.18	05/29/09	06/01/09	562,996.12	562,996.12	135,684.34				698,680.46	698,680.46	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.18	05/29/09	06/01/09	5,916,567.08	5,916,567.08		(428,193.09)			5,488,373.99	5,488,373.99	-	0.00
Repo Agmt	Low Income Tax Credit Prog.	0.18	05/29/09	06/01/09	385,727.50	385,727.50		(9,615.49)			376,112.01	376,112.01	-	0.00
	Housing Initiatives Total				7,401,820.79	7,401,820.79	135,885.96	(437,808.58)	0.00	0.00	7,099,898.17	7,099,898.17	0.00	0.00
	Total Housing Initiatives Investment Summary				7,401,820.79	7,401,820.79	135,885.96	(437,808.58)	0.00	0.00	7,099,898.17	7,099,898.17	0.00	0.00
	Total Investment Summary				1,661,166,277.63	1,696,857,441.37	68,333,488.71	(81,072,607.69)	(25,527,067.38)	0.00	1,622,900,091.27	1,671,924,252.48	13,322,997.47	0.00

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval of HOME Program Award Recommendations.

Requested Action

Approve, Deny, or Approve with Amendments the HOME Program Award Recommendations.

Background

Awards for contracts from all active Notices of Funding Availability (NOFAs), reflecting multiple activity types, and disaster relief, are combined in this one action item.

HOUSING PROGRAMS FOR PERSONS WITH DISABILITIES

On September 4, 2008, the Board approved the Notice of Funding Availability (NOFA) for the Housing Programs for Persons with Disabilities, which made available $1,500,000. For the first 180 days of the NOFA, $750,000 in funding was made available for Homebuyer Assistance and $750,000 for Tenant Based Rental Assistance (TBRA). After the 180 days, funds were made available to either activity in any area of the state. These funds are not subject to the Regional Allocation Formula and are available in any area of the state, including Participating Jurisdictions (PJs). The Persons with Disabilities Homebuyer Assistance Program provides eligible households assistance for acquisition or the acquisition and minor rehabilitation for accessibility of affordable single family housing. The Persons with Disabilities Tenant Based Rental Assistance Program provides eligible households with rental subsidies, including security and utility deposits for a period not to exceed 24 months. Tenants must earn 80% or less of the AMFI, participate in a self-sufficiency program, and meet all program eligibility requirements. Ninety percent (90%) of the households assisted with respect to rental or TBRA units must have incomes at or below 60% of the AMFI, in accordance with 24 CFR §92.216. TBRA funds became available for the first 90 days for applicants proposing to assist persons transitioning from an institution and at least 50% of the total households proposed must be targeted to persons transitioning from an institutional setting into a community placement or community setting. This open cycle NOFA made funds available on a first-come, first-served basis. The NOFA expired at 5:00 p.m. on May 29, 2009.

Five (5) applications totaling $1,232,602 in project funds and $73,958 in administrative funds were received in response to this NOFA, all of which requested funds under the Tenant Based Rental Assistance Program. One application has been terminated and two applications, totaling $600,000 in project funds and $36,000 in administrative funds, have been awarded. Two (2)

applications totaling $466,301 in project funds and $27,979 in administrative funds are being recommended for funding today.

If the attached award recommendations are approved, a total of $433,699 will remain in the 2008 Single Family Persons with Disabilities set aside.

Attached:

- HOME Persons with Disabilities NOFA – Award Recommendations
- HOME Persons with Disabilities NOFA - Application Log

DISASTER RELIEF PROGRAM

On July 24, 2008, a Presidential declaration of a major disaster for 15 counties in the State of Texas was issued under FEMA-1780-DR due to Hurricane Dolly. Willacy County is included in the 15 county disaster declaration.

In accordance with the Department's HOME Program Rule at 10 TAC §53.47(a)(2), if the disaster is a federally declared disaster, the applicant may not submit an application or be funded until 90 days have expired from the federal declaration date. Applications for disaster relief will only be accepted within six months after the first day assistance under the program is made available.

On October 30, 2008 the Department notified the disaster declared counties of the availability of HOME disaster relief funds as permitted by the Department's Deobligated Funds rule. Technical assistance regarding the Owner Occupied Housing Assistance Program, and assistance for completing an application was also provided by staff.

The City of Lyford submitted an application for assistance under the HOME Owner Occupied Housing Assistance for Disaster Relief The City is requesting $500,000 in project funds and $20,000 in administrative funds, and proposing to assist 8 eligible households that were directly affected by the disaster. The proposed application states that approximately fifty percent of the homes received major damage. In the City of Lyford, 27.7% of the households live below the poverty level and City statistics indicate that households whose incomes are below poverty level cannot afford to repair their homes. The City of Lyford hurricane victims were eligible for SBA loans; however, most did not qualify and were denied. Most of the homeowners did not have insurance and continue to live in substandard housing conditions.

On March 6, 2009 the Department received a letter of recognition from Governor Rick Perry for a disaster that occurred on February 28, 2009 due to wildfires in the County of Bastrop.

On March 10, 2009 the Department notified the Bastrop County Judge of the availability of HOME disaster relief funds as permitted by the Department's Deobligated Funds rule. Technical assistance regarding the Owner Occupied Housing Assistance Program, and assistance for completing an application was also provided by staff.

Bastrop County submitted an application for assistance under the HOME Owner Occupied Housing Assistance for Disaster Relief The City is requesting $500,000 in project funds and $20,000 in administrative funds, and proposing to assist 5 eligible households that were directly affected by the disaster. The proposed application states that approximately 26 homes were completely destroyed. Bastrop County submitted 7 Disaster Relief Citizen Surveys in their application. Five of the surveys indicate that while SBA loans were made available, the households did not qualify for assistance and were denied. None of the households who submitted surveys carried private insurance and continue to live in substandard housing or with relatives.

Staff recommends the approval of the disaster relief awards to the City of Lyford and Bastrop County and approval of 4% of project funds requested for program administration.

Attached:

- Disaster Relief Award Recommendation; and
- Disaster Relief Application Log

The applications have been reviewed by the Compliance and Asset Oversight Division and no issues of material non-compliance, unresolved audit findings or questioned or disallowed costs have been identified.

RENTAL HOUSING DEVELOPMENT PROGRAM

On June 26, 2008 the TDHCA Board approved the 2008 Rental Housing Development (RHD) Notice of Funding Availability (NOFA) that set aside $5,000,000 for new construction, rehabilitation, and acquisition and rehabilitation of affordable rental housing. Subsequent to approval of this initial funding level, the Board approved transferring all remaining funds under the 2007 NOFA to the 2008 NOFA for a current balance of approximately $20,869,797 in funds available. The NOFA allowed applicants to apply for funding on a statewide first-come, first-served basis until April 30, 2009.

The Department received forty-seven (47) applications requesting a total of $76,541,389. Of these applications, nine (9) have been awarded $17,146,029 in funds, twenty-six (26) remain under review, and two applications are being recommended for awards today totaling $2,929,505. The two recommended applications are USDA 515 transactions that have existing HOME contracts and submitted application for additional funds to completely replace the previously awarded 2009 9% Housing Tax Credits. Of note, at the May 21, 2009 meeting, the Board approved the transfer of all pending applications that do not receive an award of funds under the 2008 NOFA to the conditionally approved 2009 NOFA.

Each recommended application has completed all three phases of the application review process. The Real Estate Analysis (REA) Division has evaluated the applications and the underwriting reports are included in today's board book. All recommendations are subject to conditions reflected in the underwriting reports and may require amendments to the existing HOME contracts to incorporate the additional funds and new loan terms.

If the recommendations herein are approved, a balance of approximately $794,263 remains in the NOFA to consider for award recommendations for HOME funding requests that are currently under review. If the awards are approved, the total awarded to date from this NOFA is $20,075,534.

Attached:

- HOME Rental Housing Development Program - Award Recommendations;
- HOME Rental Housing Development Program - Application Log; and
- Real Estate Analysis Division underwriting reports.

Recommendation

Staff recommends that the Board approve all of the awards as detailed in the Award Recommendations logs attached. All Rental Housing Development Program awards are recommended subject to the conditions of the underwriting reports.

Persons With Disabilities - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - $1,500,000

Total Amount Available Prior to Action: $900,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0168	5/12/2009	2:12 PM	Spindletop MHMR Services	5	$166,301	$9,979	25	$166,301	$9,979	25	Pending Award
2008-0180	5/29/2009	2:27 PM	Coastal Bend Center For Independent Living	10	$300,000	$18,000	30	$300,000	$18,000	30	Pending Award
				Totals:	**$466,301**	**$27,979**	**55**	**$466,301**	**$27,979**	**55**	

Persons With Disabilities - Application Log

Sorted by date/time received

Total Set-Aside Amount - $1,500,000

Total Amount Available Prior to Action: $900,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0146	3/3/2009	2:30 AM	Spindletop MHMR Services	5	$166,301	$9,979	25				Terminated
2008-0165	4/15/2009		Community Partnership for the Homeless	7	$300,000	$18,000	30	$300,000	$18,000	30	Awarded 5/21/2009
2008-0163	4/21/2009	4:35 AM	San Antonio Metropolitan Ministry, Inc.	9	$300,000	$18,000	43	$300,000	$18,000	43	Awarded 5/21/2009
2008-0168	5/12/2009	2:12 PM	Spindletop MHMR Services	5	$166,301	$9,979	25	$166,301	$9,979	25	Pending Award
2008-0180	5/29/2009	2:27 PM	Coastal Bend Center For Independent Living	10	$300,000	$18,000	30	$300,000	$18,000	30	Pending Award
				Totals:	**$1,232,602**	**$73,958**	**153**	**$1,066,301**	**$63,979**	**128**	

Disaster - Award Recommendations Log

Sorted by date/time received

Total Set-Aside Amount - $6,850,000

Total Amount Available Prior to Action: $3,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	$500,000	$20,000	8	$500,000	$20,000	8	Pending Award
2009-0018	6/5/2009	3:25 PM	Bastrop County	7	$500,000	$20,000	5	$500,000	$20,000	5	Pending Award
				Totals:	**$1,000,000**	**$40,000**	**13**	**$1,000,000**	**$40,000**	**13**	

Disaster - Application Log

Sorted by date/time received

Total Set-Aside Amount - $6,850,000

Total Amount Available Prior to Action: $3,350,000

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0001	2/1/2008	8:23 AM	Crystal City	11	$500,000	$20,000	9	$500,000	$10,000	9	Awarded 3/13/2008
2008-0010	2/18/2008	11:36 AM	City of Ames	6	$500,000	$20,000	6	$500,000	$10,000	7	Awarded 5/8/2008
2008-0009	2/19/2008	9:30 AM	City of Cleveland	6	$500,000	$20,000	6	$500,000	$10,000	7	Awarded 5/8/2008
2008-0011	2/20/2008	10:27 AM	Liberty County	6	$500,000	$20,000	5	$500,000	$10,000	7	Awarded 5/8/2008
2008-0029	3/27/2008	11:15 AM	Baylor County	3	$500,000	$20,000	10	$0	$0	0	Declined
2008-0056	5/29/2008	4:06 PM	City of Dayton	6	$500,000	$20,000	6	$500,000	$10,000	7	Awarded 7/31/2008
2008-0061	7/23/2008	4:13 PM	County of La Salle	11	$500,000	$10,000	9	$500,000	$10,000	7	Awarded 9/4/2008
2008-0131	2/13/2009	2:21 PM	City of Roma	11	$500,000	$20,000	7	$500,000	$20,000	7	Awarded 4/23/2009
2008-0164	4/22/2009	11:50 AM	City of Lyford	11	$500,000	$20,000	8	$500,000	$20,000	8	Pending Award
2008-0166	4/27/2009	3:50 AM	Jim Hogg County	11	$500,000	$20,000	6				Withdrawn

App number	Received Date	Time Received	Applicant	Region	Project Funds Requested	Admin Funds Requested	Total Units	Project Funds Awarded and/or Recommended	Admin Funds Awarded and/or Recommended	Total Units	Comments
2008-0167	4/29/2009	1:08 PM	Starr County	5	$490,000	$19,600	7				Under Review
2009-0018	6/5/2009	3:25 PM	Bastrop County	7	$500,000	$20,000	5	$500,000	$20,000	5	Pending Award
				Totals:	**$5,990,000**	**$229,600**	**84**	**$4,500,000**	**$120,000**	**64**	

HOME Rental Housing Development Program Award Recommendations
(Application Acceptance Period - 6/26/2008 to 4/30/2009)

Sorted by Date and Time Received

Monday, June 29, 2009
Approximate NOFA Amount - $20,869,797
Funds Remaining - $3,723,768

File #	Region	Received By: Date	Time	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3) 9%	4%	HTF	Requested Project Funds	Awarded / Recommended Project Funds	Status
09500	6	3/5/2009	2:40 PM	Brookhollow Manor	Brookshire	R	48	48	48	General	No	No	No	$1,785,877	$1,785,877	Pending Award 6/25/2009
09501	3	3/5/2009	2:41 PM	Chisum Trail Apartments	Sanger	R	40	40	40	General	No	No	No	$1,143,628	$1,143,628	Pending Award 6/25/2009
Total HOME Applications	**2**					**Unit Totals:**	**88**	**88**	**88**		**Fund Totals:**			**$2,929,505**	**$2,929,505**	

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3 = Layering of Other Department Applications: 9%=9% Competitive Tax Credits, 4%=4% Tax Credit Program, HTF = Housing Trust Fund

HOME Rental Housing Development Program - Application Log
(Application Acceptance Period - 6/26/2008 to 4/30/2009)
Sorted by Date and Time Received
Monday, June 29, 2009
Approximate NOFA Amount - $20,869,797
Funds Remaining - $3,723,768

File #	Region	Received By: Date	Time	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3) 9%	4%	HTF	Requested Project Funds	Awarded / Recommended Project Funds	Status
09604	6	9/26/2008	3:40 PM	Costa Mariposa	Texas City	NC	51	51	252	General	No	Yes	No	$3,000,000	$3,000,000	Awarded 4/23/2009
08337	8	10/3/2008	9:27 AM	Big Country Living Apartments	Waco	NC	11		132	General	No	No	No	$3,000,000		Terminated
08338	11	10/6/2008	11:27 AM	Beacon Bay Townhomes	Port Isabel	R	16		76	General	No	No	No	$1,169,070		Withdrawn
08340	7	11/10/2008	12:12 PM	San Gabriel Crossing	Liberty Hill	NC	16		16	General	Yes	No	No	$800,000		Terminated
08341	7	11/13/2008	9:34 AM	Alta Vista Apartments	Marble Falls	R	7	11	64	General	Yes	No	No	$400,528	$400,528	Awarded 2/5/2009
08344	10	11/13/2008	11:16 AM	Hyatt Manor Apartments	Gonzales	R	7		65	Family	Yes	No	No	$409,235		Withdrawn
08346	3	11/13/2008	11:43 AM	Quail Run Apartments	Decatur	R	40	32	40	General	No	No	No	$1,161,894	$1,161,894	Awarded 3/12/2009
08347	4	11/13/2008	11:44 PM	Northview Apartments	Kilgore	R	72	72	72	Intg.	No	No	No	$2,000,000	$2,000,000	Awarded 3/12/2009
09003	8	11/17/2008	2:00 PM	Holland House Apartments	Holland	R	68		68	General	Yes	No	No	$850,000		Withdrawn
09002	3	11/17/2008	2:08 PM	Meadowlake Village Apartments	Mabank	R	40		40	General	Yes	No	No	$550,000		Withdrawn
08345	5	11/20/2008	11:32 AM	First Huntington Arms	Huntington	R	40	40	40	General	No	No	No	$2,386,570	$2,386,570	Awarded 3/12/2009

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File #	Region	Received By: Date	Time	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3) 9%	4%	HTF	Requested Project Funds	Awarded / Recommended Project Funds	Status
09001	6	12/3/2008	4:00 PM	Hillwood Apartments	Weimar	R	7		24	Elderly	Yes	No	No	$679,747		Under Review
09000	6	12/3/2008	4:01 PM	Courtwood Apartments	Eagle Lake	R	16		50	Elderly	Yes	No	No	$1,274,555		Under Review
08134	7	12/10/2008	3:35 PM	Huntington	Buda	NC	24	24	120	Elderly	Yes	No	No	$1,750,000	$1,750,000	Awarded 2/5/2009
08256	3	12/23/2008	5:10 PM	Westway Place	Corsicana	NC	16	16	40	General	Yes	No	No	$1,550,000		Not Recommended
08255	3	12/23/2008	5:10 PM	West Park Senior Housing	Corsicana	NC	25	25	48	Elderly	Yes	No	No	$1,600,000		Not Recommended
08181	7	1/15/2009	9:40 AM	Park Ridge Apartments	Llano	NC	13	8	64	General	Yes	No	No	$475,000	$475,000	Awarded 2/5/2009
08154	3	1/27/2009	8:00 AM	Mineral Wells Pioneer Crossing	Mineral Wells	NC	16	16	80	General	Yes	No	No	$2,972,037	$2,972,037	Awarded 4/23/2009
09401	7	1/27/2009	11:25 AM	Encino Pointe	San Marcos	NC	51	51	252	General	No	Yes	No	$3,000,000	$3,000,000	Awarded 4/23/2009
09100	3	2/26/2009	8:00 AM	Crestmoor Park South Apts	Burleson	R	68		68	General	Yes	No	No	$1,215,089		Under Review
09248	6	2/27/2009	8:01 AM	Pearland Senior Village	Pearland	NC	28		126	Elderly	Yes	No	No	$3,000,000		Under Review
09245	10	2/27/2009	8:56 AM	Heights at Corral	Kingsville	R	29		80	General	Yes	No	No	$3,000,000		Under Review
09267	6	2/27/2009	10:44 AM	Heritage Crossing	Santa Fe	R	25		72	Elderly	Yes	No	No	$2,200,000		Under Review
09287	6	2/27/2009	3:14 PM	Horizon Meadows Apts	La Marque	NC	20		96	General	Yes	No	No	$1,700,000		Under Review
09136	12	2/27/2009	4:57 PM	Gateway to Eden	Eden	NC	20		20	General	Yes	No	No	$1,050,000		Under Review

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File #	Region	Received By: Date	Time	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3) 9%	4%	HTF	Requested Project Funds	Awarded / Recommended Project Funds	Status
09500	6	3/5/2009	2:40 PM	Brookhollow Manor	Brookshire	R	48	48	48	General	No	No	No	$1,785,877	$1,785,877	Pending Award 6/25/2009
09501	3	3/5/2009	2:41 PM	Chisum Trail Apartments	Sanger	R	40	40	40	General	No	No	No	$1,143,628	$1,143,628	Pending Award 6/25/2009
09502	3	3/27/2009	9:27 AM	Washington Hotel Lofts	Greenville	R	36		36	General	No	No	No	$2,650,000		Under Review
09318	10	3/27/2009	2:40 PM	Hyatt Manor I and II Apts	Gonzales	R	14		65	General	Yes	No	No	$946,081		Under Review
09293	7	3/27/2009	2:58 PM	Villas of Shady Grove	Burnet	NC	28		80	General	Yes	No	No	$2,971,483		Under Review
09126	8	3/27/2009	4:34 PM	Holland House Apts	Holland	R	68		68	General	Yes	No	No	$550,000		Under Review
09503	11	3/30/2009	3:34 PM	Parkview Terrace	Pharr	R	30		100	General	No	No	No	$3,000,000		Under Review
09185	6	3/30/2009	5:09 PM	Maplewood Village II	League City	NC	0		80	Elderly	Yes	No	No	$1,450,000		Under Review
09227	3	3/31/2009	11:11 AM	Mineral Wells Pioneer Crossing for Seniors	Mineral Wells	NC	15		36	Elderly	Yes	No	No	$1,512,619		Withdrawn
09228	5	3/31/2009	11:13 AM	Lufkin Pioneer Crossing for Seniors	Lufkin	NC	32		80	Elderly	Yes	No	No	$3,000,000		Under Review
09150	8	3/31/2009	2:11 PM	Prairie Village Apts	Rogers	R	24		24	General	Yes	No	No	$375,000		Under Review
09146	2	3/31/2009	3:26 PM	Oakwood Apts	Brownwood	R	47		48	General	Yes	No	No	$600,000		Under Review
09148	8	3/31/2009	4:34 PM	Whispering Oaks Apartments	Goldthwaite	R	24		24	Elderly	Yes	No	No	$400,000		Under Review
09147	8	3/31/2009	4:52 PM	Village Place Apts	Lorena	R	32		32	General	Yes	No	No	$450,000		Under Review

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File #	Region	Received By: Date	Time	Development Name	City	Housing Actvty(1)	Reqstd HOME Units	Rec. HOME Units	Total Units	Target(2) Population	Layering (3) 9%	4%	HTF	Requested Project Funds	Awarded / Recommended Project Funds	Status
09149	8	4/1/2009	9:59 AM	Autumn Villas	Lorena	R	16		16	Elderly	Yes	No	No	$310,000		Under Review
09294	7	4/1/2009	12:54 PM	Northgate Apts and Rhomberg Apts	Burnet	R	10		60	General	Yes	No	No	$638,140		Under Review
09508	3	4/29/2009	11:48 AM	Estates at Northside	Pilot Point	NC	32		32	Elderly	No	No	No	$2,283,744		Under Review
09506	4	4/29/2009	12:04 PM	Cherokee Hills	Rusk	NC	27		60	General	No	No	No	$2,325,000		Under Review
09507	3	4/30/2009	2:04 PM	Silver Spring at Forney	Forney	NC	40		198	Elderly	No	No	No	$3,000,000		Under Review
09019	4	4/30/2009	3:11 PM	Timber Village Apartments II	Marshall	NC	15		72	General	Yes	No	No	$800,000		Under Review
09511	3	4/30/2009	4:42 PM	Villas on Raiford	Carrollton	NC	18		180	Elderly	No	No	No	$4,000,000		Under Review
09165	8	4/30/2009	5:00 PM	Cherrywood Apts	West	R	12		44	Elderly	Yes	No	No	$1,156,092		Under Review
Total HOME Applications		**47**				**Unit Totals:**	**1,334**	**434**	**3,428**		**Fund Totals:**			**$76,541,389**	**$20,075,534**	

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report ADDENDUM

REPORT DATE: 06/04/09 PROGRAM: HOME FILE NUMBER: **09500**

DEVELOPMENT

Brookhollow Manor

Location: 3444 Depot Street Region: 6

City: Brookshire County: Waller Zip: 77423 ☐ QCT ☐ DDA

Key Attributes: Multifamily, Acquisition/Rehab, Rural, At-Risk, USDA, Family

ALLOCATION

	PREVIOUS REQUEST			**PREVIOUS RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$630,000	1.00%	360	$630,000	1.00%	360
Housing Tax Credit (Annual)	$209,726			**$204,759**		

	CURRENT REQUEST*			**CURRENT RECOMMENDATION***		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$2,415,877	See Below		**See Below**		

*The Applicant is requesting an additional $1,785,877 in HOME funds, for a total HOME award of $2,415,877. The Applicant has requested to structure part of the total HOME award as a repayable loan and the other part as a forgivable loan. The Underwriter recommends that $1,358,544 be structured as a repayable loan at 1% interest and 30-year amortization, and the remaining $1,057,333 be structured as a non-amortizing forgivable loan. The Applicant already has an existing HOME contract in the amount of $630K structured as a repayable loan with a 1% interest rate and amortization period of 360 months. Therefore, the existing HOME contract for this development will require an amendment to restructure the existing amount in accordance with the underwriting recommendation made in this addendum.

CONDITIONS

1 Receipt, review, and acceptance, by closing, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.

2 Receipt, review, and acceptance, by closing, of USDA-RD approval of the proposed rent increase for each unit.

3 Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the credit allocation amount may be warranted.

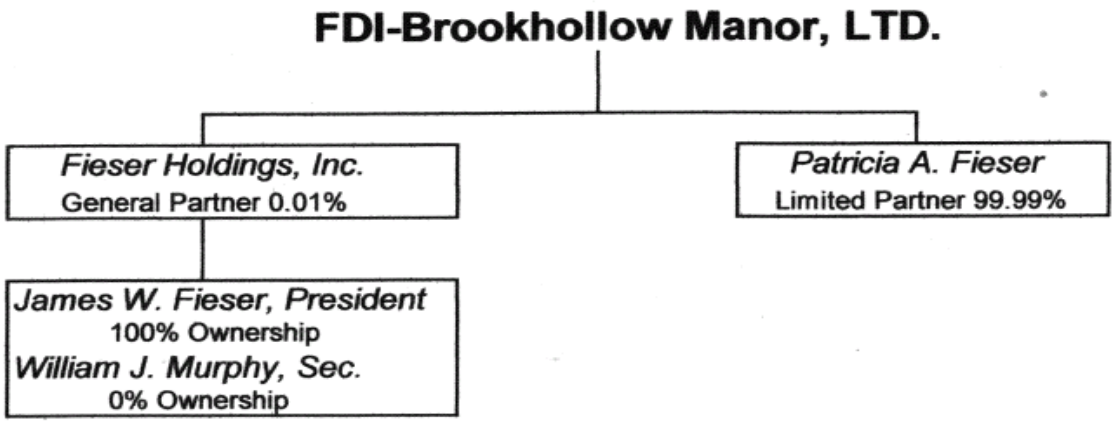
SALIENT ISSUES

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	Low HOME	5
50% of AMI	Low HOME	43

PROS	CONS
▫ The project will provide the rehabilitation of a 24-year-old USDA-RD complex and the preservation of affordable housing for the current tenants.	▫ The Applicant's and Underwriter's expense to income ratios are both well above the Department's 65% guideline and relies upon the project-based rental assistance to maintain feasibility.
▫ The Applicant has considerable experience and financial resources	▫ If the HOME award is ultimately not received, the transaction may not be financially viable.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W. Fieser Phone: (281) 367-8189 Fax: (281) 367-8192

Email: Jim.fieser@jfieser.com

ADDENDUM

Brookhollow Manor Apartments was originally underwritten during the 2008 9% HTC cycle and was approved for an annual tax credit allocation of $204,759 and $630K in HOME funds, to be fully amortized over 30 years at 1% interest. The Applicant has returned all of the previously awarded 2008 tax credit allocation and is now requesting to change the financing structure, including the new request for additional TDHCA HOME funds for a total HOME award of $2,415,877. The Applicant's new request appears to structure the current award as previously approved: $630K (26% of the total requested) as a repayable loan with 1% interest and 30-year amortization. The remaining $1,781,981 or 74% of the total requested appears to be structured as a forgivable loan. Current HOME rules allow up to 50% of the HOME funds to be forgivable provided that 10% of all units target tenants at 30% AMI & 50% of all units target tenants at 50% AMI.

As a result, an updated rent schedule, development cost schedule and sources and uses has been provided by the Applicant. The Underwriter has evaluated the impact of these changes on the financial viability of the transaction based on the revised documentation provided. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

OPERATING PROFORMA ANALYSIS

The property receives USDA Rental Assistance for 47 of the 48 units. The Applicant's net rents are anticipated basic rent levels. These basic rents have not yet been approved by USDA-RD. The anticipated basic rents are 1% below the net program rents on average and 13% higher than the current USDA-RD basic rent levels. The appraisal reflects market rents that are lower than the currently approved Basic Rents. Given the newly proposed financing structure, the Underwriter's analysis suggests that the development would operate at or below a 0.84 DCR if the proposed rent increase is not approved. Therefore, the underwriting analysis has utilized the proposed increased rents; and formal documentation of USDA approval of the increased rents will be a condition of this report.

The Applicant's secondary income and vacancy and collection loss estimates are in line with Department standards.

The Applicant's expense estimates remain unchanged. Therefore, they remain within 5% of the Underwriter's estimate.

Conclusion:

The Applicant's net operating income is not within 5% of the Underwriter's estimates; therefore, the Underwriter's year one proforma will be used to determine the development's debt capacity. The proforma and estimated debt service result in a debt coverage ratio (DCR) above the current underwriting maximum guideline of 1.35. However, it should be noted, as current HOME rules only allow a maximum of 50% of the HOME funds to be forgivable, the Underwriter has recommended a financing structure that reflects repayment of at least 50% of the requested HOME funds. This is discussed in more detail in the "Conclusion" of the Financing section below.

The Applicant's and Underwriter's expense to income ratios (67.49% and 65.28% respectively) are slightly above the TDHCA maximum of 65%. However, the 2009 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "The units not receiving Project-based Section 8 Rental Assistance or rental assistance in association with USDA-RD-RHS financing, or not characterized as public housing do not propose rents that are less than the Project-based Section 8, USDA-RD-RHS financing, or public housing units." [§1.32(7)(B)(vi)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Underwriter's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow. Therefore, the development can be characterized as feasible for the long-term.

CONSTRUCTION COST ESTIMATE EVALUATION

In conjunction with the HOME application the Applicant provided a revised total development cost schedule reflecting a minimal overall increase in costs of $30. While site work and direct costs appear to be the same as reflected in the original HTC application, the slight increase appears to be reflected in ineligible costs. The Underwriter's cost schedule was derived from information presented in the application material submitted and from the Capital Needs Assessment (CNA) provided. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriter's development cost schedule is used to determine the development's need for permanent funds.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: None Date of Last Applicant Revision: N/A

Source: USDA-RD Type: **Permanent Financing**

Principal: $1,322,745 Interest Rate: 1.0% [X] Fixed Amort: 600 months

Comments:

The Applicant will assume three existing USDA-RD loans, each amortized for 50 years with an interest rate subsidized down to 1.0%; the loans have current principal balances of $770,584, $82,779, and $453,544. The Applicant has estimated a slightly higher outstanding loan balance for all three loans.

Amount: $0 Type: **Deferred Developer Fees**

CONCLUSIONS

Recommended Financing Structure:

The Applicant's formal request indicates an additional request of $1,785,877 in HOME funds for a total amount of $2,415,877 in HOME funds. The Applicant's request proposes the current award of $630K be structured as previously approved (30 year amortization at 1% interest) and the remaining $1.8M be a forgivable loan. However, as stated above, current HOME rules only allow a maximum of 50% of the HOME funds to be forgivable.

Therefore, the Underwriter has determined that up to $1,358,544 of the total requested HOME funds can be structured as a repayable loan at the terms requested, and $1,057,333 structured as a forgivable loan. As mentioned previously, this alternative financing structure would result in an increase in the annual debt service but still promote a healthy DCR projection of 1.15, and would enable the Department to be repaid on a slightly higher amount of HOME funds than proposed.

Based on this award, the Underwriter's total development cost of $3,734,756 less the existing USDA-RD loan of $1,306,906, and recommended HOME award of $2,415,877, indicates the need for $11,972 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within one year of stabilized operation. If the additional HOME award is ultimately not awarded, the gap in financing would increase to an amount greater than the developer fee available for deferral and the transaction would not be financially viable unless another source of funds was received.

It should be noted that an existing HOME contract exists for the property for the previous award made in 2008 for $630K. This award amount is currently structured as a repayable loan with a 1% interest rate and an amortization period of 360 months. The existing HOME contract will require an amendment in order to restructure the funds in accordance with the recommendations made in this addendum.

The Underwriter's recommendation is conditioned upon approval from USDA-RD of a parity lien position for the TDHCA HOME loan awards.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	*Diamond Unique Thompson*	Date:	June 4, 2009
Manager of Real Estate Analysis:	*Raquel Morales*	Date:	June 4, 2009
Director of Real Estate Analysis:	*Brent Stewart*	Date:	June 4, 2009

MULTIFAMILY COMPARATIVE ANALYSIS

Brookhollow Manor, Brookshire, HOME #09500

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
30% LH	3	1	1	591	598	$485		$1,455	$0.82	$79.00	$20.00
30% LH	1	1	1	591	598	$485		485	0.82	$79.00	$20.00
50% LH	15	1	1	694	598	$535		8,025	0.77	$79.00	$20.00
30% LH	1	2	1	694	717	$535		535	0.77	$137.00	$20.00
50% LH	20	2	1	694	717	$535		10,700	0.77	$137.00	$20.00
50% LH	4	2	1	694	717	$535		2,140	0.77	$137.00	$20.00
50% LH	4	3	1	952	717	$540		2,160	0.57	$188.00	$20.00
TOTAL:	48		**AVERAGE:**	707		$531		$25,500	$0.75	$118.29	$20.00

INCOME Total Net Rentable Sq Ft: 33,932				TDHCA-HOME Amendment	TDHCA-Carryover (Orig + 10% Incr)	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$306,000	$283,584	$283,584	$283,584	$283,584	$306,000	Waller		6
tenant chrgs, laundry, forfeited deposits	Per Unit Per Month:	$15.00		8,640	8,640	8,640	8,640	8,640	8,640	$15.00	Per Unit Per Month	
Other Support Income:				0	0	0				$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$314,640	$292,224	$292,224	$292,224	$292,224	$314,640			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(23,598)	(21,917)	(21,917)	(21,912)	(21,912)	(23,604)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0	0						
EFFECTIVE GROSS INCOME				$291,042	$270,307	$270,307	$270,312	$270,312	$291,036			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT							PER SQ FT	PER UNIT	% OF EGI
General & Administrative	4.70%	$285	0.40	$13,678	$13,678	$13,678	$12,200	$12,200	$12,200	$0.36	$254	4.19%
Management	6.33%	384	0.54	$18,432	$18,432	$18,432	21,250	21,250	21,250	0.63	443	7.30%
Payroll & Payroll Tax	19.05%	1,155	1.63	$55,453	$55,453	$55,453	58,500	58,500	58,500	1.72	1,219	20.10%
Repairs & Maintenance	7.91%	479	0.68	$23,012	$23,012	$23,012	23,500	23,500	23,500	0.69	490	8.07%
Utilities	3.47%	210	0.30	$10,094	$10,094	$10,094	11,000	11,000	11,000	0.32	229	3.78%
Water, Sewer, & Trash	7.39%	448	0.63	$21,521	$21,521	$21,521	24,500	24,500	24,500	0.72	510	8.42%
Property Insurance	5.04%	305	0.43	$14,657	$14,657	$14,657	15,150	15,150	15,150	0.45	316	5.21%
Property Tax 3.5069	5.78%	351	0.50	16,833	16,833	16,833	14,000	14,000	14,000	0.41	292	4.81%
Reserve for Replacements	4.95%	300	0.42	14,400	14,400	14,400	14,400	14,400	14,400	0.42	300	4.95%
TDHCA Compliance Fees	0.66%	40	0.06	1,920	1,920	1,920	1,920	1,920	1,920	0.06	40	0.66%
Other:	0.00%	0	0.00	0	0	0	0	0		0.00	0	0.00%
TOTAL EXPENSES	65.28%	$3,958	$5.60	$190,000	$190,000	$190,000	$196,420	$196,420	$196,420	$5.79	$4,092	67.49%
NET OPERATING INC	34.72%	$2,105	$2.98	$101,042	$80,307	$80,307	$73,892	$73,892	$94,616	$2.79	$1,971	32.51%
DEBT SERVICE												
USDA	12.17%	$738	$1.04	35,418	35,418	35,418	$35,445	$35,445	$35,445	$1.04	$738	12.18%
HOME-Repayable	8.35%	$507	$0.72	24,316	24,316	24,316	24,316	24,316	24,316	$0.72	$507	8.35%
Additional Financing	0.00%	$0	$0.00	0	0	0				$0.00	$0	0.00%
NET CASH FLOW	14.19%	$861	$1.22	$41,308	$20,573	$20,573	$14,131	$14,131	$34,855	$1.03	$726	11.98%
AGGREGATE DEBT COVERAGE RATIO				1.69	1.34	1.34	1.24	1.24	1.58			
RECOMMENDED DEBT COVERAGE RATIO				1.15	1.34	1.34						

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA-HOME Amendment	TDHCA-Carryover (Orig + 10% Incr)	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		40.77%	$31,724	$44.88	$1,522,745	$1,522,745	$1,522,745	$1,522,745	$1,522,745	$1,522,745	$44.88	$31,724	40.73%
Off-Sites		0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%
Sitework		3.00%	2,331	3.30	111,865	111,865	111,865	185,156	185,156	185,156	5.46	3,857	4.95%
Direct Construction		26.51%	20,624	29.17	989,951	989,951	989,951	905,740	905,740	905,740	26.69	18,870	24.23%
Contingency	9.90%	2.92%	2,273	3.21	109,089	109,090	109,090	109,090	109,090	109,089	3.21	2,273	2.92%
Contractor's Fees	13.86%	4.09%	3,182	4.50	152,726	152,726	152,726	152,726	152,726	152,726	4.50	3,182	4.09%
Indirect Construction		4.40%	3,422	4.84	164,236	164,236	164,236	164,236	164,236	164,236	4.84	3,422	4.39%
Ineligible Costs		2.13%	1,660	2.35	79,676	79,646	79,646	79,646	79,646	79,676	2.35	1,660	2.13%
Developer's Fees	20.00%	14.57%	11,336	16.04	544,136	544,136	544,136	592,838	592,838	592,838	17.47	12,351	15.86%
Interim Financing		0.66%	510	0.72	24,500	24,500	24,500	24,500	24,500	24,500	0.72	510	0.66%
Reserves		0.96%	746	1.06	35,830	35,830	35,830	1,916	1,916	1,916	0.06	40	0.05%
TOTAL COST		100.00%	$77,807	$110.07	$3,734,754	$3,734,726	$3,734,726	$3,738,593	$3,738,593	$3,738,622	$110.18	$77,888	100.00%
+ 10% Increase						$110,182					***$39.87***	***$28,181***	*36.18%*
Total Cost						$3,844,907							
Construction Cost Recap		*36.51%*	***$28,409***	***$40.19***	***$1,363,631***	***$1,363,632***	***$1,363,632***	***$1,352,712***	***$1,352,712***	***$1,352,711***			

SOURCES OF FUNDS									RECOMMENDED	
USDA	35.42%	$27,557	$38.98	$1,322,745	$1,322,745	$1,322,745	$1,322,745	$1,322,745	$1,322,745	$1,306,906	Developer Fee Available
HOME-Repayable	16.87%	$13,125	$18.57	630,000	630,000	630,000	630,000	630,000	630,000	1,358,544	$592,838
HOME-Forgivable	47.82%	$37,206	$52.63	1,785,877	1,780,891	1,780,891	1,780,891	1,780,891	1,785,877	1,057,333	% of Dev. Fee Deferred
Deferred Developer Fees	0.00%	$0	$0.00	0	4,986	4,986	4,986	4,986		11,972	2%
Additional (Excess) Funds Req'd	-0.10%	($81)	($0.11)	(3,868)	106,285	106,285	(29)	(29)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$3,734,754	$3,844,907	$3,844,907	$3,738,593	$3,738,593	$3,738,622	$3,734,754	$311,154

PAYMENT COMPUTATION

Primary	$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.85

Secondary	$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.69

Additional	$1,785,877	Amort	
Int Rate		Aggregate DCR	1.69

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$35,418
Secondary Debt Service	52,435
Additional Debt Service	0
NET CASH FLOW	$13,188

Primary	$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.85

Secondary	$1,358,544	Amort	360
Int Rate	1.00%	Subtotal DCR	1.15

Additional	$1,057,333	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$306,000	$315,180	$324,635	$334,374	$344,406	$399,261	$462,852	$536,573	$721,109
Secondary Income	8,640	8,899	9,166	9,441	9,724	11,273	13,069	15,150	20,361
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	314,640	324,079	333,802	343,816	354,130	410,534	475,921	551,723	741,470
Vacancy & Collection Loss	(23,598)	(24,306)	(25,035)	(25,786)	(26,560)	(30,790)	(35,694)	(41,379)	(55,610)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$291,042	$299,773	$308,766	$318,029	$327,570	$379,744	$440,227	$510,344	$685,860
EXPENSES at 4.00%									
General & Administrative	$13,678	$14,225	$14,794	$15,386	$16,001	$19,468	$23,686	$28,817	$42,657
Management	18,432	18,985	19,555	20,141	20,745	24,050	27,880	32,321	43,436
Payroll & Payroll Tax	55,453	57,671	59,978	62,377	64,873	78,927	96,027	116,832	172,940
Repairs & Maintenance	23,012	23,932	24,889	25,885	26,920	32,753	39,849	48,482	71,765
Utilities	10,094	10,498	10,918	11,354	11,809	14,367	17,480	21,267	31,480
Water, Sewer & Trash	21,521	22,382	23,277	24,208	25,177	30,631	37,267	45,342	67,116
Insurance	14,657	15,243	15,853	16,487	17,147	20,861	25,381	30,880	45,710
Property Tax	16,833	17,506	18,207	18,935	19,692	23,959	29,150	35,465	52,497
Reserve for Replacements	14,400	14,976	15,575	16,198	16,846	20,496	24,936	30,339	44,909
Other	1,920	1,997	2,077	2,160	2,246	2,733	3,325	4,045	5,988
TOTAL EXPENSES	$190,000	$197,416	$205,123	$213,132	$221,456	$268,245	$324,981	$393,789	$578,497
NET OPERATING INCOME	$101,042	$102,357	$103,644	$104,898	$106,115	$111,499	$115,247	$116,555	$107,362
DEBT SERVICE									
First Lien Financing	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418
Second Lien	52,435	52,435	52,435	52,435	52,435	52,435	52,435	52,435	52,435
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$13,188	$14,504	$15,790	$17,044	$18,261	$23,646	$27,393	$28,702	$19,509
DEBT COVERAGE RATIO	1.15	1.17	1.18	1.19	1.21	1.27	1.31	1.33	1.22

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 07/01/08 PROGRAM: HTC 9%, HOME FILE NUMBER: **08106**

DEVELOPMENT

Brookhollow Manor

Location: 3444 Depot Street Region: 6

City: Brookshire County: Waller Zip: 77423 ☐ QCT ☐ DDA

Key Attributes: Multifamily, Acquisition/Rehab, Rural, At-Risk, USDA, Family

ALLOCATION

	REQUEST			**RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$630,000	1.00%	360	**$630,000**	**1.00%**	**360**
Housing Tax Credit (Annual)	$209,726			**$204,759**		

CONDITIONS

1 Receipt, review, and acceptance, by the carryover, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.

2 Receipt, review, and acceptance, by cost certification, of USDA-RD approval of the proposed rent increase for each unit.

3 Receipt, review, and acceptance, by carryover, of updated loan and equity commitments which are not more than 30 days old.

4 Should the terms and rates of the existing or proposed debt or scope of work change, the transaction should be re-evaluated and an adjustment to the allocation amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	3
50% of AMI	50% of AMI	21
60% of AMI	60% of AMI	24

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
Low HOME	30% of AMI	3
Low HOME	50% of AMI	45
High HOME	65% of AMI	0

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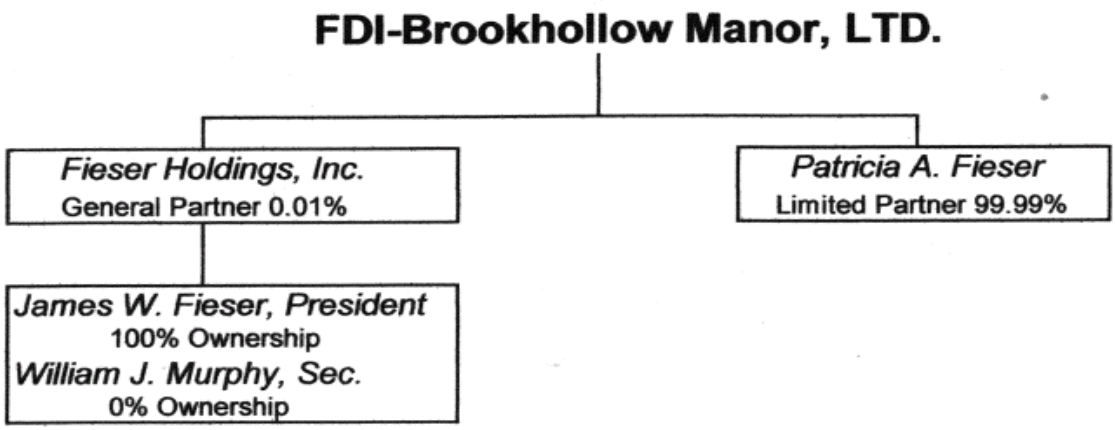
PROS	CONS
▫ The project will provide the rehabilitation of a 24-year-old USDA-RD complex and the preservation of affordable housing for the current tenants.	▫ The Applicant's and Underwriter's expense to income ratios are both well above the Department's 65% guideline and relies upon the project-based rental assistance to maintain feasibility.
▫ The Applicant has considerable experience and financial resources	▫ If the HOME award is ultimately not received, the transaction may not be financially viable.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W. Fieser Phone: (281) 367-8189 Fax: (281) 367-8192
Email: Jim.fieser@jfieser.com

KEY PARTICIPANTS

Name	Financial Notes	# Completed Developments
Fieser Holdings, Inc.	N/A	Seventeen Developments
Feiser Development, Inc.	N/A	
James & Patricia Feiser	N/A	

IDENTITIES of INTEREST

▫ The Applicant, Developer, property manager, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

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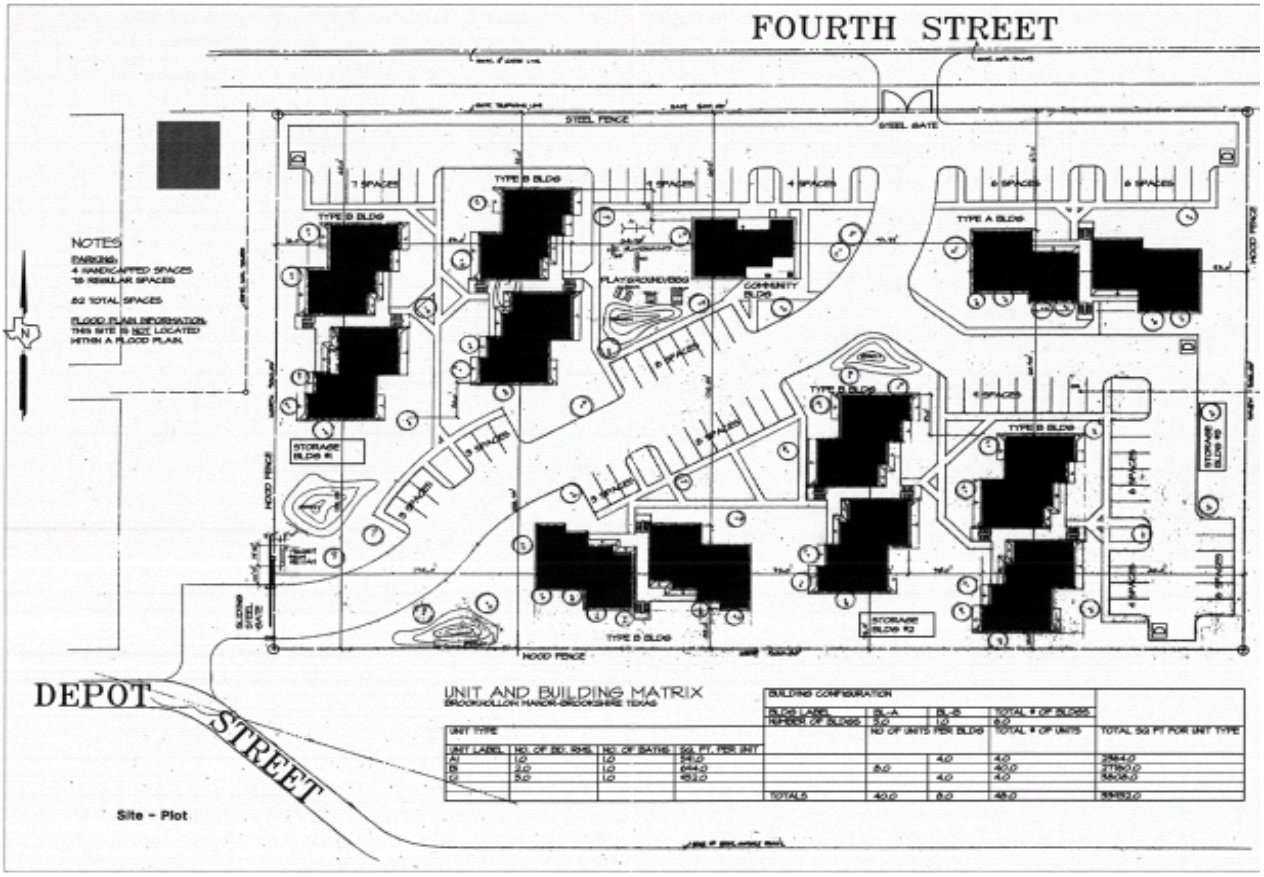
PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B									Total Buildings
Floors/Stories	2	2									
Number	5	1									**6**

BR/BA	SF	Units										Total Units	Total SF
1 / 1	591		4									4	2,364
2 / 1	694	8										40	27,760
3 / 1	952		4									4	3,808
Units per Building		8	8									**48**	**33,932**

Rehabilitation:

The Applicant provided a Capital Needs Assessment conducted by E & A Services, Inc. "Brookhollow Manor was completed in 1984 and is comprised of 48 individual dwelling units located in 6 eight-plex two-story buildings ... Immediate and over-the-term capital needs are projected to total approximately $55,441/unit in current, un-inflated dollars. The majority of the immediate cost is associated with a major renovation needed to both the exterior and the interior of the dwelling units as well as a considerable amount of site work that is needed, especially in the three corners of the property that have problems with standing water. In addition ... it was identified in the Self Evaluation Needs and Transition Plans dated 2/18/08, that Brookhollow Manor will require some remodeling and/or modifications to bring it into compliance with handicapped accessibility regulations."

SITE ISSUES

Total Size:	3.44 acres	Scattered site?	[ ]	Yes	[X]	No		
Flood Zone:	A3	Within 100-yr floodplain?	[X]	Yes	[ ]	No		
Zoning:	N / A	Needs to be re-zoned?	[ ]	Yes	[ ]	No	[X]	N/A

Comments:

The Applicant provided a FIRM map indicating that the site is located in flood zone A3, which is defined by FEMA as among the flood insurance rate zones that correspond to the 1-percent annual chance floodplains that are determined in the Flood Insurance Study by detailed methods of analysis. The QAP specifies design requirements for new construction and reconstruction. Rehabilitation projects are generally not permitted in flood hazard areas unless they already meet the new construction requirements; however, federally financed (i.e. through HUD or USDA-RD) are exempt from this rule. Nevertheless, the Applicant also indicated that the development is designed as required by program rules.

TDHCA SITE INSPECTION

Inspector: ORCA Date: 4/24/2008

Overall Assessment:

[ ] Excellent [ ] Acceptable [ ] Questionable [X] Poor [ ] Unacceptable

Surrounding Uses:

North:	Field	beyond:	housing
South:	Field	beyond:	apartments
East:	Depot Street	beyond:	railroad tracks
West:	Depot Street	beyond:	housing

Comments:

The inspector reported that "the entire complex has major structural and internal repairs (needed) that are dangerous to tenants ... the site location is externally and internally poor (100%). Complete overhaul would remedy the problem. Site location is acceptable, however the property presents a health hazard.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

A Phase I Environmental Site Assessment was not provided because USDA-RD financed projects are not required to submit this report; however, the capital needs assessment provider stated that there were no readily observed environmental concerns, including but not limited to asbestos containing materials, lead-based paint, CFC's and PCB's during the on-site inspection. Furthermore, since the property was constructed after 1978, the presence of lead-based paint is unlikely, and no assessment for such is required.

MARKET HIGHLIGHTS

Provider: Acorn Appraisal Associates Date: 2/15/2008

Contact: Mark E. Verrett Phone: (713) 681-8878 Fax: (713) 681-8958

Number of Revisions: none Date of Last Applicant Revision: N / A

Market Area:

The appraiser indicated that "there is strong demand within the Brookshire market for developments with rental assistance. The large number of low-income renters in this market means that developments that do offer rental assistance to subsidize tenant payments will likely have a much lower vacancy rate than non-subsidized developments. The population of this market is of sufficient size, diversity, and financial ability to support the subject property and its amenities." (p. 13) According to the Appraiser the City of Brookshire had a population of 7,625 at the updated 2000 Census.

PROPOSED, UNDER CONSTRUCTION & UNSTABILIZED COMPARABLE DEVELOPMENTS							
PMA				SMA			
Name	File #	Total Units	Comp Units	Name	File #	Total Units	25% Comp Units
N / A							

INCOME LIMITS						
Waller						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	$12,850	$14,700	$16,500	$18,350	$19,800	$21,300
50	$21,400	$24,450	$27,500	$30,550	$33,000	$35,450
60	$25,680	$29,340	$33,000	$36,660	$39,600	$42,540

Market Occupancy Rates:

"There were 2,844 housing units, of which 330 (12%) were vacant at the last census. There were 1,784 units (63%)that were owner-occupied and 730 units (26%) that were tenant-occupied ... Two-bedroom units are the most popular within this market and are the predominant floor plan followed by a limited number of one-bedroom units. Three-bedroom units are limited in number and out of the six apartment complexes in the area surveyed, no three-bedroom units were found. The estimated neighborhood apartment vacancy is 3 - 5% which is likely to remain stable. Rental rates are stable as well. " (pp. 11-13)

Absorption Projections:

"Demand for housing in Brookshire has been increasing for the last few years and is expected to continue that trend for the near future." (p. 11)

RENT ANALYSIS (Tenant-Paid Net Rents)					
Unit Type (% AMI)	Current USDA Basic Rent	Proposed Basic Rent	Market Rent	Underwriting Rent	Increase Over Contract
1 BR 591 SF	$422	$447	$372	$447	$25
2 BR 694 SF	$467	$495	$455	$495	$28
3 BR 952 SF	$482	$511	$500	$511	$29

Comments:

A market study report was not provided, as USDA-RD financed projects are not required to submit this report. However, an appraisal is required; the appraisal generally provides sufficient information for the underwriting process. An "As Is" appraisal dated February 15, 2008 was prepared by Acorn Appraisal Associates. Additionally, the property is currently 90% occupied and it is likely that many of the existing tenants will choose to remain at the property after rehabilitation. The presence of an existing tenant base mitigates potential concerns about the lack of information about the market.

Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with Section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 1.9 units per square mile which is less than the 1,432 units per square mile limit. A Primary Market Area concentration was not calculated because a Primary Market Area was not formally provided in the appraisal. The proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

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OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 1 Date of Last Applicant Revision: 3/28/2008

The property receives USDA Rental Assistance for 47 of the 48 units. The Applicant's projected income is based on proposed Basic Rents which represent a 6% ($16K) increase over the current rents for each unit and have not yet been approved by USDA-RD. The appraisal reflects market rents that are lower than the currently approved Basic Rents. The Applicant indicated that USDA has "approved" the proposed rents since they were included in the Preliminary Application submitted to USDA with regard to the proposed rehabilitation. The Underwriter's analysis suggests that the development would operate at or below a 1.10 DCR if the proposed rent increase is not approved. Therefore, the underwriting analysis has utilized the proposed increased rents; and formal documentation of USDA approval of the increased rents will be a condition of this report.

The Applicant's projections for secondary income and losses due to vacancy and collection are consistent with underwriting guidelines. Overall, the Applicant's projected effective gross income is equivalent to the underwriting estimate.

Expense: Number of Revisions: 1 Date of Last Applicant Revision: 5/6/2008

The Applicant's projected annual operating expense estimate of $4,092 per unit is within 5% of the Underwriter's estimate of $3,958 per unit derived from historical operating statements for the property, the TDHCA database and other sources.

Conclusion:

The Applicant's projected income and expenses are within 5% of the underwriting estimate; however, net operating income (NOI) varies by more than 5%. As a result, the underwriting estimates will be used to determine the debt capacity and feasibility of the project. The underwriting estimates for effective gross income and operating expenses, combined with the Applicant's requested financing structure, provide a debt coverage ratio (DCR) of 1.34. The Underwriter's Year One DCR is within the parameters of the Department's guidelines.

The Applicant's and Underwriter's expense to income ratios (73% and 70% respectively) are significantly above the TDHCA maximum of 65%. However, the 2008 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this exception.

Lien position is another critical element in considering the financing of additional HOME funds for the transaction. There is no new money coming into the development from USDA and thus the additional lending risk associated with the development is primarily vested in the additional HOME funding. In fact the USDA loan default risk decreases substantially with the infusion of capital from HOME and the HTC syndication. The Department has historically requested a parity lien with the existing USDA loans in such an instance so that the new HOME rehabilitation funds are not immediately subject to a default risk that might have more to do with USDA's regulations than the performance of the property which they generally control via the annual approval of budgets and basic rents. The request for a parity lien is an inducement by the department or any new lender for USDA to facilitate the preservation of a loan in their portfolio.

The approval of these issues by USDA is not a foregone conclusion, however; therefore, receipt, review and acceptance of documentation that USDA-RD has approved the increase as proposed by cost certification along with the approval of the transfer and parity of the additional HOME debt, by carryover, are conditions of this report.

Feasibility:

The underwriting estimates for effective gross income and annual operating expenses, and the Underwriter's recommended financing structure, are used to create a 30-year operating proforma, applying a 3% growth factor to income and 4% to expenses. This analysis results in continued positive cash flow and a DCR that remains above the 1.15 minimum throughout the required 15-year period. As a result, the project can be considered financially feasible. It should be noted, however, that due to the high expense to income ratio, the debt coverage ratio and cash flow fall below the Department's standards well before year 30 in both the Underwriter's and Applicant's proforma.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider: Acorn Appraisal Associates Date: 2/15/2008

Number of Revisions: none Date of Last Applicant Revision: N / A

Land Only: 3.44 acres	$135,000	As of:	2/13/2008
Existing Buildings: (as-is)	$445,000	As of:	2/13/2008
Total Development: (as-is)	$580,000	As of:	2/13/2008

ASSESSED VALUE

Land Only: 3.44 acres	$88,000	Tax Year:	2007
Existing Buildings:	$402,000	Valuation by:	Waller County
Total Assessed Value:	$490,000	Tax Rate:	3.5069

Comments:

The current owner's audited financial statements for 2005 and 2006 indicate real estate tax expenses of $31,274 and 30,068, respectively. However, the audited financial statements for 2007 indicate total taxes paid as being $13,051. The Applicant explained that the current owner successfully challenged the assessed value of the property and the appraisal district reduced the assessed value.

EVIDENCE of PROPERTY CONTROL

Type: Improved Property Commercial Contract Acreage: 3.44

Contract Expiration: 12/15/2008 Valid Through Board Date? [X] Yes [ ] No

Acquisition Cost: $1,522,745 Other:

Seller: Brookhollow Manor, Ltd. Related to Development Team? [ ] Yes [X] No

CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N / A

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject for $1,522,745 or $32K per unit. The Seller is not related to the buyer; however, the transfer must be approved by USDA-RD. History suggests that an acceptable transfer price is approximately the outstanding balance on the USDA 515 loan plus any exit taxes and original equity in the property. The cumulative outstanding balance on the USDA loans is approximately $1,322,745. The Applicant did not provide documentation of the estimated exit taxes. However, the purchase price appears to be reasonable should USDA apply this standard.

The Applicant has estimated eligible building basis of $1,422,745 or 93% of the total acquisition price. The Underwriter has used an eligible building basis of $1,168,313, which is 77% of the total acquisition price based on a prorata allocation of value to land and buildings as reflected in the appraisal submitted by the Applicant.

Sitework Cost:

As the project consists of the rehabilitation of an existing development, site work requirements are relatively low. The Capital Needs Assessment indicates "a considerable amount of site work that is needed, especially in the three corners of the property that have problems with standing water"; nevertheless, the Applicant's development cost schedule itemizes site work of $3,857 per unit, well below the underwriting limit of $9,000 per unit. Additionally, the CNA indicates that the first year costs were adjusted upwards by 24% to reflect "soft costs" such as general requirements, general overhead, contingencies and profit in order to present a more accurate estimate. The underwriting analysis reflects the CNA value less the 24% adjustment because the "soft costs" are included in the Applicant's development cost schedule as separate line items.

Direct Construction Cost:

The Applicant's direct construction cost estimate is $84K lower than the estimate provided in the Capital Needs Assessment (CNA). The underwriting analysis will reflect the CNA value, less the 24% adjustment for "soft costs" as discussed previously that were included in these line item estimates.

Conclusion:

The Underwriter's cost schedule was derived from the third-party Capital Needs Assessment (CNA) provided by the Applicant and the information presented in the application. The CNA was well documented and appeared to cover the scope of work provided by the Applicant. Thus, the Underwriter's development cost schedule, as derived from the CNA, will be used to determine the development's need for permanent funds.

The Underwriter's calculated eligible basis of $3,264,817 supports a tax credit allocation of $204,759 annually for 10 years; this results in total equity proceeds of $1,738,710 at a syndication rate of $0.85 per credit. This will be compared to the Applicant's requested credit amount and the amount determined by the gap in financing in order to determine the recommended allocation.

FINANCING STRUCTURE

SOURCES & USES Number of Revisions: none Date of Last Applicant Revision: N / A

Source: iCap Type: **Interim Financing**

Principal: $302,593 Interest Rate: 6.0% [ ] Fixed Term: 24 months

Comments:

Wall Street Journal Prime plus 2%, subject to a floor of 6.0%. The commitment reflects the standard requirement for a first lien by the lender however this is a nominal amount of interim financing and alternative financing should be readily available if the requirement is not removed.

Source: USDA-RD Type: **Permanent Financing**

Principal: $1,315,817 Interest Rate: 1.0% [X] Fixed Amort: 600 months

Comments:

The Applicant will assume three existing USDA-RD loans, each amortized for 50 years with an interest rate subsidized down to 1.0%; the loans have current principal balances of $455,619, $84,289, and $775,909. The Applicant has estimated a slightly higher outstanding loan balance for all three loans.

Source: Raymond James Tax Credit Funds Type: **Syndication**

Proceeds: $1,780,891 Syndication Rate: 85% Anticipated HTC: $ 209,726

Comments:

The committed credit price appears to be consistent with recent trends in pricing. However, the Underwriter has performed a sensitivity test and determined that the credit price can decline to $0.70. At this point, 100% of the available cash flow would be claimed by deferred developer fee and the financial viability of the transaction may be jeopardized. Alternatively, should the final credit price increase to more than $0.87, the equity proceeds would exceed the gap in financing and an adjustment to the credit allocation may be warranted.

Amount: $4,986 Type: **Deferred Developer Fees**

This section intentionally left blank.

Market Uncertainty:

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

CONCLUSIONS

Recommended Financing Structure:

The Underwriter's total development cost estimate less the permanent financing of $1,315,817 and $630,000 in HOME funds indicates the need for $1,788,909 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $210,670 annually would be required to fill this gap in financing. The three possible allocation amounts are:

Tax Credit Allocation based on Eligible Basis:	**$204,759**
Applicant's Requested Allocation:	$209,726
Tax Credit Allocation based on Gap in Financing:	$210,670

The amount determined by eligible basis is recommended. An annual allocation of $204,759 results in total equity proceeds of $1,738,710 at a syndication rate of $0.85 per credit.

The Underwriter's recommended financing structure indicates the need for $50,199 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within three years of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the ratio of HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	*Thomas Cavanagh*	Date:	July 1, 2008
Reviewing Underwriter:	*Raquel Morales*	Date:	July 1, 2008
Director of Real Estate Analysis:	*Tom Gouris*	Date:	July 1, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

Brookhollow Manor, Brookshire, HTC 9%, HOME #08106

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30% LH	3	1	1	591	$344	$447	$1,341	$0.76	$76.00	$20.00
TC 50% LH	1	1	1	591	$573	447	447	0.76	76.00	20.00
TC 50% LH	20	2	1	694	$687	495	9,900	0.71	131.00	20.00
TC 60% LH	20	2	1	694	$687	495	9,900	0.71	131.00	20.00
TC 60% LH	4	3	1	952	$794	511	2,044	0.54	181.00	20.00
TOTAL:	48		**AVERAGE:**	707		$492	$23,632	$0.70	$130.58	$20.00

INCOME	Total Net Rentable Sq Ft: 33,932			TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$283,584	$283,584	Waller		6
tenant chrgs, laundry, forfeited deposits	Per Unit Per Month:	$15.00		8,640	8,640	$15.00	Per Unit Per Month	
Other Support Income:				0		$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$292,224	$292,224			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(21,917)	(21,912)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0				
EFFECTIVE GROSS INCOME				$270,307	$270,312			

EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		5.06%	$285	0.40	$13,678	$12,200	$0.36	$254	4.51%
Management		6.82%	384	0.54	$18,432	21,250	0.63	443	7.86%
Payroll & Payroll Tax		20.51%	1,155	1.63	$55,453	58,500	1.72	1,219	21.64%
Repairs & Maintenance		8.51%	479	0.68	$23,012	23,500	0.69	490	8.69%
Utilities		3.73%	210	0.30	$10,094	11,000	0.32	229	4.07%
Water, Sewer, & Trash		7.96%	448	0.63	$21,521	24,500	0.72	510	9.06%
Property Insurance		5.42%	305	0.43	$14,657	15,150	0.45	316	5.60%
Property Tax	3.5069	6.23%	351	0.50	16,833	14,000	0.41	292	5.18%
Reserve for Replacements		5.33%	300	0.42	14,400	14,400	0.42	300	5.33%
TDHCA Compliance Fees		0.71%	40	0.06	1,920	1,920	0.06	40	0.71%
Other:		0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES		70.29%	$3,958	$5.60	$190,000	$196,420	$5.79	$4,092	72.66%
NET OPERATING INC		29.71%	$1,673	$2.37	$80,307	$73,892	$2.18	$1,539	27.34%
DEBT SERVICE									
USDA		13.10%	$738	$1.04	35,418	$35,445	$1.04	$738	13.11%
HOME		9.00%	$507	$0.72	24,316	24,316	$0.72	$507	9.00%
Additional Financing		0.00%	$0	$0.00	0		$0.00	$0	0.00%
NET CASH FLOW		7.61%	$429	$0.61	$20,573	$14,131	$0.42	$294	5.23%
AGGREGATE DEBT COVERAGE RATIO					1.34	1.24			
RECOMMENDED DEBT COVERAGE RATIO					1.34				

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		40.77%	$31,724	$44.88	$1,522,745	$1,522,745	$44.88	$31,724	40.73%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		3.00%	2,331	3.30	111,865	185,156	5.46	3,857	4.95%
Direct Construction		26.51%	20,624	29.17	989,951	905,740	26.69	18,870	24.23%
Contingency	9.90%	2.92%	2,273	3.21	109,090	109,090	3.21	2,273	2.92%
Contractor's Fees	13.86%	4.09%	3,182	4.50	152,726	152,726	4.50	3,182	4.09%
Indirect Construction		4.40%	3,422	4.84	164,236	164,236	4.84	3,422	4.39%
Ineligible Costs		2.13%	1,659	2.35	79,646	79,646	2.35	1,659	2.13%
Developer's Fees	20.00%	14.57%	11,336	16.04	544,136	592,838	17.47	12,351	15.86%
Interim Financing		0.66%	510	0.72	24,500	24,500	0.72	510	0.66%
Reserves		0.96%	746	1.06	35,830	1,916	0.06	40	0.05%
TOTAL COST		100.00%	$77,807	$110.07	$3,734,726	$3,738,593	$110.18	$77,887	100.00%
Construction Cost Recap		*36.51%*	***$28,409***	***$40.19***	***$1,363,632***	***$1,352,712***	***$39.87***	***$28,182***	*36.18%*

SOURCES OF FUNDS

						RECOMMENDED	
USDA	35.42%	$27,557	$38.98	$1,322,745	$1,322,745	$1,315,817	Developer Fee Available
HOME	16.87%	$13,125	$18.57	630,000	630,000	630,000	$592,838
Raymond James	47.68%	$37,102	$52.48	1,780,891	1,780,891	1,738,710	% of Dev. Fee Deferred
Deferred Developer Fees	0.13%	$104	$0.15	4,986	4,986	50,199	8%
Additional (Excess) Funds Req'd	-0.10%	($81)	($0.11)	(3,896)	(29)	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$3,734,726	$3,738,593	$3,734,726	$350,839

PAYMENT COMPUTATION

Primary	$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.27

Secondary	$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.34

Additional	$1,780,891	Amort	
Int Rate		Aggregate DCR	1.34

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$35,418
Secondary Debt Service	24,316
Additional Debt Service	0
NET CASH FLOW	$20,573

Primary	$1,370,020	Amort	600
Int Rate	1.00%	DCR	2.27

Secondary	$630,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.34

Additional	$1,780,891	Amort	0
Int Rate	0.00%	Aggregate DCR	1.34

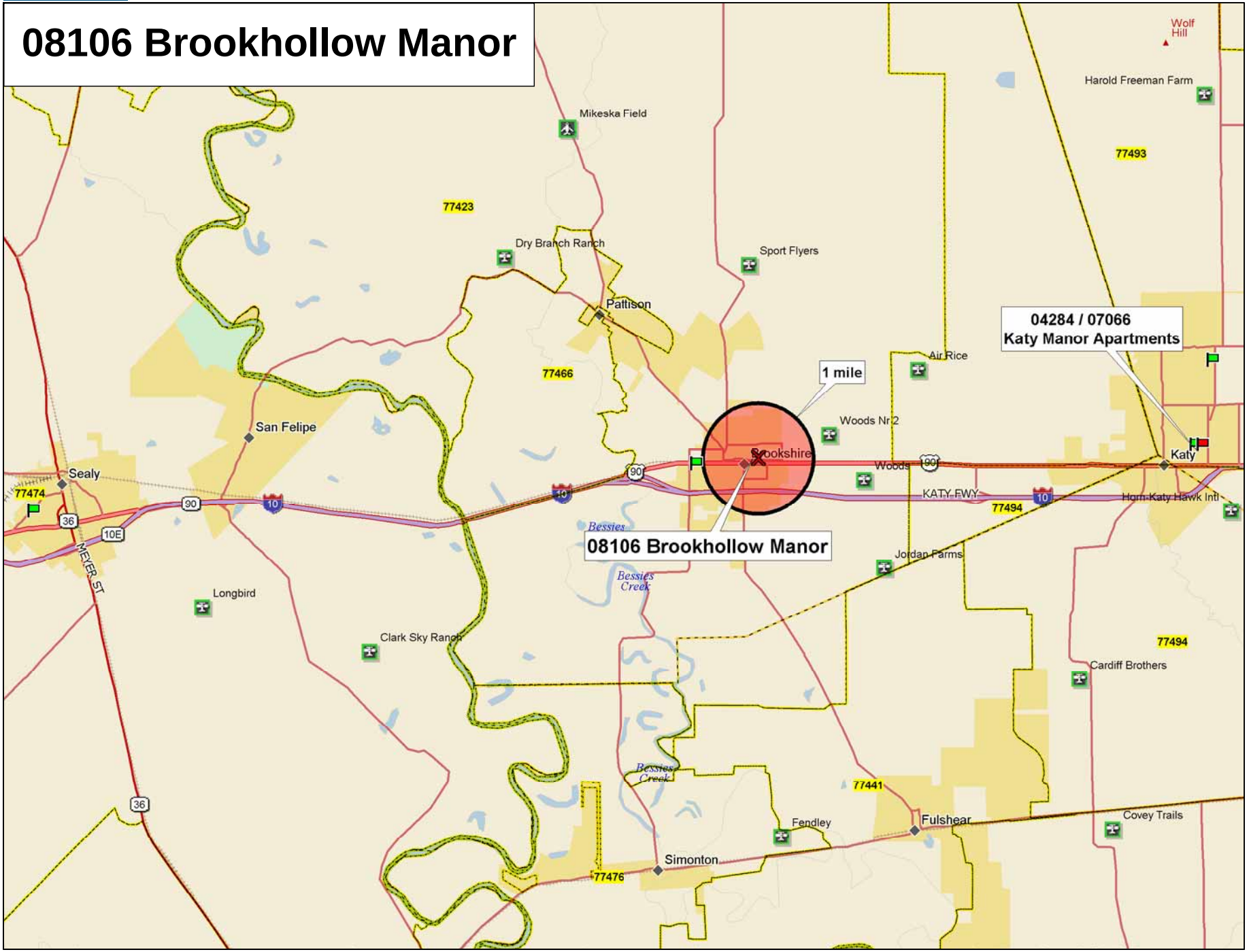
OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$283,584	$292,092	$300,854	$309,880	$319,176	$370,013	$428,946	$497,266	$668,284
Secondary Income	8,640	8,899	9,166	9,441	9,724	11,273	13,069	15,150	20,361
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	292,224	300,991	310,020	319,321	328,901	381,286	442,015	512,417	688,645
Vacancy & Collection Loss	(21,917)	(22,574)	(23,252)	(23,949)	(24,668)	(28,596)	(33,151)	(38,431)	(51,648)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$270,307	$278,416	$286,769	$295,372	$304,233	$352,690	$408,864	$473,985	$636,997
EXPENSES at 4.00%									
General & Administrative	$13,678	$14,225	$14,794	$15,386	$16,001	$19,468	$23,686	$28,817	$42,657
Management	18,432	18,985	19,555	20,141	20,745	24,050	27,880	32,321	43,436
Payroll & Payroll Tax	55,453	57,671	59,978	62,377	64,873	78,927	96,027	116,832	172,940
Repairs & Maintenance	23,012	23,932	24,889	25,885	26,920	32,753	39,849	48,482	71,765
Utilities	10,094	10,498	10,918	11,354	11,809	14,367	17,480	21,267	31,480
Water, Sewer & Trash	21,521	22,382	23,277	24,208	25,177	30,631	37,267	45,342	67,116
Insurance	14,657	15,243	15,853	16,487	17,147	20,861	25,381	30,880	45,710
Property Tax	16,833	17,506	18,207	18,935	19,692	23,959	29,150	35,465	52,497
Reserve for Replacements	14,400	14,976	15,575	16,198	16,846	20,496	24,936	30,339	44,909
Other	1,920	1,997	2,077	2,160	2,246	2,733	3,325	4,045	5,988
TOTAL EXPENSES	$190,000	$197,416	$205,123	$213,132	$221,456	$268,245	$324,981	$393,789	$578,497
NET OPERATING INCOME	$80,307	$81,001	$81,646	$82,240	$82,777	$84,445	$83,883	$80,197	$58,499
DEBT SERVICE									
First Lien Financing	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418	$35,418
Second Lien	24,316	24,316	24,316	24,316	24,316	24,316	24,316	24,316	24,316
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$20,573	$21,267	$21,912	$22,506	$23,043	$24,711	$24,149	$20,463	($1,235)
DEBT COVERAGE RATIO	1.34	1.36	1.37	1.38	1.39	1.41	1.40	1.34	0.98

HTC ALLOCATION ANALYSIS -Brookhollow Manor, Brookshire, HTC 9%, HOME #08106

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	$100,000	$354,432				
Purchase of buildings	$1,422,745	$1,168,313	$1,422,745	$1,168,313		
Off-Site Improvements						
Sitework	$185,156	$111,865			$185,156	$111,865
Construction Hard Costs	$905,740	$989,951			$905,740	$989,951
Contractor Fees	$152,726	$152,726			$152,725	$152,726
Contingencies	$109,090	$109,090			$109,090	$109,090
Eligible Indirect Fees	$164,236	$164,236			$164,236	$164,236
Eligible Financing Fees	$24,500	$24,500			$24,500	$24,500
All Ineligible Costs	$79,646	$79,646				
Developer Fees				$233,663		$310,474
Developer Fees	$592,838	$544,136	$284,549		$308,289	
Development Reserves	$1,916	$35,830				
TOTAL DEVELOPMENT COSTS	$3,738,593	$3,734,726	$1,707,294	$1,401,976	$1,849,736	$1,862,842
Deduct from Basis:						
All grant proceeds used to finance costs in eligible basis						
B.M.R. loans used to finance cost in eligible basis						
Non-qualified non-recourse financing						
Non-qualified portion of higher quality units [42(d)(3)]						
Historic Credits (on residential portion only)						
TOTAL ELIGIBLE BASIS			$1,707,294	$1,401,976	$1,849,736	$1,862,842
High Cost Area Adjustment					100%	100%
TOTAL ADJUSTED BASIS			$1,707,294	$1,401,976	$1,849,736	$1,862,842
Applicable Fraction			100%	100%	100%	100%
TOTAL QUALIFIED BASIS			$1,707,294	$1,401,976	$1,849,736	$1,862,842
Applicable Percentage			3.55%	3.55%	8.32%	8.32%
TOTAL AMOUNT OF TAX CREDITS			$60,609	$49,770	$153,898	$154,988
Syndication Proceeds	**0.8492**		**$514,662**	**$422,624**	**$1,306,827**	**$1,316,086**
Total Tax Credits (Eligible Basis Method)					**$214,507**	**$204,759**
Syndication Proceeds					**$1,821,489**	**$1,738,710**
Requested Tax Credits					**$209,726**	
Syndication Proceeds					**$1,780,891**	
Gap of Syndication Proceeds Needed						**$1,788,909**
Total Tax Credits (Gap Method)						**$210,670**

08106 Brookhollow Manor



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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report Addendum

REPORT DATE: 06/04/09 PROGRAM: HOME FILE NUMBER: **09501**

DEVELOPMENT

Chisum Trail Apartments

Location: 1100 Austin Region: 3

City: Sanger County: Denton Zip: 76266 ☐ QCT ☐ DDA

Key Attributes: Multifamily, Family, Rural, At Risk, USDA, Acquisition/Rehabilitation

ALLOCATION

	PREVIOUS REQUEST			**PREVIOUS RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$450,000	1.00%	360/360	**$450,000**	**0.05%**	**314/314**
Housing Tax Credit (Annual)	$133,940			**$133,940**		

	CURRENT REQUEST			**CURRENT RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$1,593,628	0.00%	40/40	**see below**		

The Applicant is requesting an additional $1,143,628 in HOME funds for a total HOME award of $1,593,628. The Underwriter recommends that $860,560 of the total requested HOME funds be structured as a repayable loan at 0% interest and 40-year amortization, and the remaining $733,068 structured as a non-amortizing forgivable loan. The Applicant already has an existing HOME contract in the amount of $450K structured as a repayable loan with a .50% interest rate and amortization period of 314 months. Therefore, the existing HOME contract for this development will require an amendment to restructure the existing amount in accordance with the underwriting recommendation made in this addendum.

CONDITIONS

1 Receipt, review, and acceptance, by closing, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.

2 Receipt, review, and acceptance, by closing, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents.

3 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

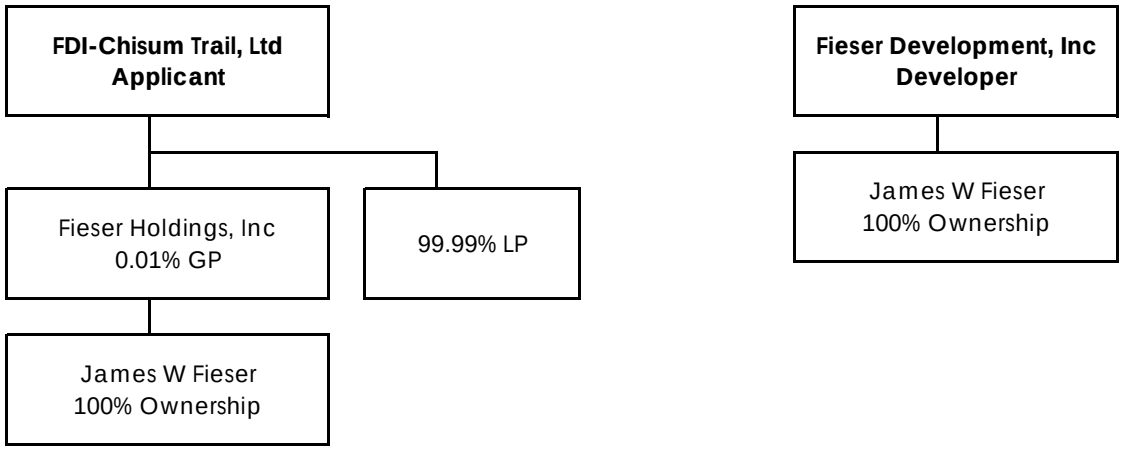
SALIENT ISSUES

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	Low HOME	4
50% of AMI	Low HOME	36

PROS	CONS
▫ The application proposes the rehabilitation of an existing 40 unit USDA-RD property constructed in 1984, maintenance of the 515 interest subsidy, and rental assistance for four units.	▫ The Applicant's expense to income ratio of 72% is well above the Department's 65% expense to income ratio, but rental assistance is received on 4 units and the HOME rents are well above the USDA-RD rents.
▫ The Applicant has considerable experience and financial resources	▫ If the HOME award is ultimately not received, the transaction may not be financially viable.

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W Fieser Phone: 281.347.8189 Fax: 281.347.8192
Email: jim.fieser@jfieser.com

ADDENDUM

The Application was originally underwritten and approved during the 2008 9% HTC cycle and was awarded annual tax credits in the amount of $133,940 along with a HOME award in the amount of $450,000 structured as a loan with interest at 0.50% and amortizing for 314 months.

The Applicant has returned all of the previously awarded 2008 tax credit allocation due to the market conditions and is now requesting increased HOME funds for a total HOME award of $1,593,628. The Applicant has requested that the balance of funds requested ($1,143,628) be structured as a forgivable loan. Current HOME rules allow up to 50% of the total HOME funds requested to be forgivable provided that 10% of all units target tenants at 30% AMI & 50% of all units target tenants at 50% AMI or less.

This addendum has been issued to evaluate the effect these changes have made on the financial viability of the transaction based on the revised documentation provided. Only those portions of the report that are materially affected by the proposed changes are discussed below. This report should be read in conjunction with the original underwriting report for a full evaluation of the originally proposed development plan and structure.

OPERATING PROFORMA ANALYSIS

The Applicant's rental projections have increased by $1.5K and operating expenses have decreased by $2K from those projected in the original HTC application. As a result the Applicant's effective gross income remains within 5% of the Underwriter's estimate.

Conclusion:

The Applicant's estimated income, operating expense and NOI are all within 5% of the Underwriter's estimate. Therefore, the Applicant's NOI will be used to evaluate debt service capacity . The Year One proforma results in a DCR of 1.19 which falls within the Department's current guidelines.

In addition, the Applicant's and Underwriter's expense to income ratios (71% and 72% respectively) are significantly above the TDHCA maximum of 65%. However, the 2009 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 2% annual growth factor for income and a 3% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above a 1.15.

CONSTRUCTION COST ESTIMATE EVALUATION

The Applicant's total development cost estimate remains unchanged from that projected in the original HTC application. The Underwriter's cost schedule was derived from the original CNA and information presented in the application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, the Underwriters development cost schedule will be used to determine the development's need for permanent funds.

FINANCING STRUCTURE

Source: USDA-RD Section 515 Type: **Existing Financing to Transfer**

Principal: $1,004,790 Interest Rate: 1.0% [x] Fixed Amort: 600 months

Comments:

The Applicant is proposing a same rates and terms transfer of the existing USDA Section 515 mortgage. This type of transfer is generally intended to preserve the below market loan and avoid loss of eligibility for 9% credits associated with new below market funds.

The Applicant provided a promissory note, dated June 20 1984, reflecting an original balance of $1,040,000 and a 50 year term. Section 515 loans generally provide a subsidy of the market interest rate down to an effective rate of approximately 1%. The remaining term is approximately 314 months with a current balance of $1,004,790,as reflected above. The estimated balance is reflected as a source of funds in the recommended financing structure.

CONCLUSIONS

Recommended Financing Structure:

As stated previously the Applicant's proforma is used to determine the development's debt service capacity and need for funds. The Applicant has requested a total HOME award of $1,593,628 with the $450,000 that was previously awarded structured as approved, and the remaining portion of $1,143,628 structured as a forgivable loan. However, the HOME NOFA under which this application was submitted allows only up to half of the total HOME funds requested to be structured as a forgivable loan, subject to 10% of all units targeted to tenants at 30% AMI & 50% of all units targeted to tenants at 50% AMI or less. The Applicant's current rent schedule appears to meet this criteria.

Therefore, the Underwriter recommends that $860,560 of the total requested HOME funds be structured as a repayable loan set at 0.0% interest and 40-year amortization and the remaining $733,068 structured as a non-amortizing, forgivable loan. The remaining $41,507 in funds appears to be repayable within 5 years of stabilized operations. This structure would result in slightly over 50% of the total HOME funds requested repayable. The recommended financing structure yields an acceptable DCR of 1.15 and enables the Department to be repaid on a higher amount of HOME funds than previously approved or currently proposed by the Applicant.

It should be noted that an existing HOME contract exists for the property for the previous award made in 2008 for $450,000. This award amount is currently structured as a repayable loan with a 0.50% interest rate and amortizing over 314 months. The existing HOME contract will require an amendment in order to restructure the funds in accordance with the recommendations made in this addendum.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	*Carl Hoover*	Date:	June 4, 2009
Manager of Real Estate Analysis:	*Raquel Morales*	Date:	June 4, 2009
Director of Real Estate Analysis:	*Brent Stewart*	Date:	June 4, 2009

MULTIFAMILY COMPARATIVE ANALYSIS

Chisum Trail Apartments, Sanger, HOME #09501

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent	Rent Collected		Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
30% LH	4	1	1	654	$373	$369		$1,476	$0.56	$63.00	$58.00
50% LH	12	1	1	654	$623	$369		$4,428	$0.56	$63.00	$58.00
50% LH	4	2	1	797	$748	$440		$1,760	$0.55	$79.00	$62.00
50% LH	20	2	1	797	$748	$440		$8,800	$0.55	$79.00	$62.00
TOTAL:	40		**AVERAGE:**	740		$412		$16,464	$0.56	$72.60	$60.40

INCOME Total Net Rentable Sq Ft: 29,592				TDHCA- HOME Amendment	TDHCA- Orig + 10% Incr	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$197,568	$196,032	$196,032	$196,032	$196,032	$197,568	Denton	Dallas	3
Secondary Income	Per Unit Per Month:	$15.00		7,200	7,200	7,200	7,200	7,200	7,200	$15.00	Per Unit Per Month	
Other Support Income:				0	0	0	0	0		$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$204,768	$203,232	$203,232	$203,232	$203,232	$204,768			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(15,358)	(15,242)	(15,242)	(15,240)	(15,240)	(15,360)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0	0	0	0				
EFFECTIVE GROSS INCOME				$189,410	$187,990	$187,990	$187,992	$187,992	$189,408			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT							PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.86%	$183	0.25	$7,313	$7,313	$7,313	$7,250	$7,250	$7,250	$0.24	$181	3.83%
Management	9.26%	438	0.59	17,538	17,538	17,538	17,712	17,712	17,712	0.60	443	9.35%
Payroll & Payroll Tax	13.38%	634	0.86	25,352	25,352	25,352	27,100	27,100	27,100	0.92	678	14.31%
Repairs & Maintenance	9.04%	428	0.58	17,120	17,120	17,120	15,700	15,700	13,700	0.46	343	7.23%
Utilities	2.35%	111	0.15	4,459	4,459	4,459	4,800	4,800	4,800	0.16	120	2.53%
Water, Sewer, & Trash	14.94%	707	0.96	28,293	28,293	28,293	26,500	26,500	26,500	0.90	663	13.99%
Property Insurance	5.47%	259	0.35	10,357	10,357	10,357	10,500	10,500	10,500	0.35	263	5.54%
Property Tax 2.17549	6.50%	308	0.42	12,318	12,318	12,318	13,000	13,000	13,000	0.44	325	6.86%
Reserve for Replacements	6.34%	300	0.41	12,000	12,000	12,000	12,000	12,000	12,000	0.41	300	6.34%
TDHCA Compliance Fees	0.84%	40	0.05	1,600	1,600	1,600	1,600	1,600	1,600	0.05	40	0.84%
Other:	0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%
TOTAL EXPENSES	71.99%	$3,409	$4.61	$136,349	$136,349	$136,349	$136,162	$136,162	$134,162	$4.53	$3,354	70.83%
NET OPERATING INC	28.01%	$1,327	$1.79	$53,062	$51,641	$51,641	$51,830	$51,830	$55,246	$1.87	$1,381	29.17%
DEBT SERVICE												
Existing USDA 515 First Lien	14.00%	$663	$0.90	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$0.90	$663	14.00%
TDHCA HOME- repayable	9.17%	$434	$0.59	17,369	17,369	17,369	15,000	15,000	19,920	$0.67	$498	10.52%
Additional Financing	0.00%	$0	$0.00	0	0	0	0	0	0	$0.00	$0	0.00%
NET CASH FLOW	4.84%	$229	$0.31	$9,167	$7,746	$7,746	$10,304	$10,304	$8,800	$0.30	$220	4.65%
AGGREGATE DEBT COVERAGE RATIO				1.21	1.18	1.18	1.25	1.25	1.19			
RECOMMENDED DEBT COVERAGE RATIO							1.15	1.15	1.15			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA- HOME Amendment	TDHCA- Orig + 10% Incr	TDHCA-Original	APP-Original	APP-Carryover	APP-HOME Amendment	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		45.04%	$30,120	$40.71	$1,204,790	$1,204,790	$1,204,790	$1,204,790	$1,204,790	$1,204,790	$40.71	$30,120	46.37%
Off-Sites		0.00%	0	0.00	0	0	0	0	0	0	0.00	0	0.00%
Sitework		2.36%	1,578	2.13	63,110	63,110	63,110	63,100	63,100	63,100	2.13	1,578	2.43%
Direct Construction		20.22%	13,523	18.28	540,900	534,750	534,750	540,900	540,900	540,900	18.28	13,523	20.82%
Contingency	10.00%	2.26%	1,510	2.04	60,400	59,786	59,786	60,400	60,400	60,400	2.04	1,510	2.32%
Contractor's Fees	14.00%	3.16%	2,114	2.86	84,560	83,700	83,700	84,560	84,560	84,560	2.86	2,114	3.25%
Indirect Construction		5.07%	3,388	4.58	135,500	135,500	135,500	135,500	135,500	135,500	4.58	3,388	5.21%
Ineligible Costs		0.00%	0	0.00	0	94,047	94,047	87,897	87,897	0	0.00	0	0.00%
Developer's Fees	19.14%	14.70%	9,829	13.29	393,150	391,627	391,627	393,150	393,150	393,150	13.29	9,829	15.13%
Interim Financing		4.28%	2,860	3.87	114,397	26,500	26,500	26,500	26,500	114,397	3.87	2,860	4.40%
Reserves		2.93%	1,958	2.65	78,328	78,328	78,328	1,621	1,621	1,621	0.05	41	0.06%
TOTAL COST		100.00%	$66,878	$90.40	$2,675,135	$2,672,139	$2,672,139	$2,598,418	$2,598,418	$2,598,418	$87.81	$64,960	100.00%
+ 10% Increase						$59,786							
TOTAL COST						$2,731,925							
Construction Cost Recap		*28.00%*	***$18,724***	***$25.31***	***$748,970***	***$741,346***	***$741,346***	***$748,960***	***$748,960***	***$748,960***	***$25.31***	***$18,724***	*28.82%*

SOURCES OF FUNDS										RECOMMENDED	
Existing USDA 515 First Lien	37.56%	$25,120	$33.95	$1,004,790	$1,004,790	$1,004,790	$1,004,790	$1,004,790	$1,004,790	$1,040,000	Developer Fee Available
TDHCA HOME- repayable	16.82%	$11,250	$15.21	450,000	450,000	450,000	450,000	450,000	450,000	860,560	$393,150
TDHCA HOME- deferred forgivable									1,143,628	733,068	
HTC Syndication Proceeds	0.00%	$0	$0.00	0	1,137,349	1,137,349	1,137,349	1,137,349	0	0	% of Dev. Fee Deferred
Transfer Existing Reserves	2.93%	$1,958	$2.65	78,328	78,328	78,328	0	0	0		11%
Deferred Developer Fees	0.00%	$0	$0.00	0	6,279	6,279	6,279	6,279	0	41,507	
Additional (Excess) Funds Req'd	42.69%	$28,550	$38.59	1,142,017	55,179	55,179	0	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$2,675,135	$2,731,925	$2,731,925	$2,598,418	$2,598,418	$2,598,418	$2,675,135	$139,331

PAYMENT COMPUTATION

Primary	$1,040,000	Amort	600
Int Rate	1.00%	DCR	2.00

Secondary	$450,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.21

Additional	$0	Amort	
Int Rate		Aggregate DCR	1.21

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	$26,526
Secondary Debt Service	21,514
Additional Debt Service	0
NET CASH FLOW	$7,206

Primary	$1,040,000	Amort	600
Int Rate	1.00%	DCR	2.08

Secondary	$860,560	Amort	480
Int Rate	0.00%	Subtotal DCR	1.15

Additional	$733,068	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$197,568	$203,495	$209,600	$215,888	$222,365	$257,781	$298,839	$346,437	$465,582
Secondary Income	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	204,768	210,911	217,238	223,756	230,468	267,176	309,730	359,062	482,549
Vacancy & Collection Loss	(15,360)	(15,818)	(16,293)	(16,782)	(17,285)	(20,038)	(23,230)	(26,930)	(36,191)
Employee or Other Non-Rental U	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$189,408	$195,093	$200,945	$206,974	$213,183	$247,138	$286,500	$332,132	$446,358
EXPENSES at 4.00%									
General & Administrative	$7,250	$7,540	$7,842	$8,155	$8,481	$10,319	$12,555	$15,275	$22,610
Management	17,712	18,244	18,791	19,355	19,935	23,110	26,791	31,058	41,740
Payroll & Payroll Tax	27,100	28,184	29,311	30,484	31,703	38,572	46,928	57,096	84,515
Repairs & Maintenance	13,700	14,248	14,818	15,411	16,027	19,499	23,724	28,864	42,726
Utilities	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Water, Sewer & Trash	26,500	27,560	28,662	29,809	31,001	37,718	45,889	55,832	82,644
Insurance	10,500	10,920	11,357	11,811	12,284	14,945	18,183	22,122	32,746
Property Tax	13,000	13,520	14,061	14,623	15,208	18,503	22,512	27,389	40,542
Reserve for Replacements	12,000	12,480	12,979	13,498	14,038	17,080	20,780	25,282	37,424
Other	1,600	1,664	1,731	1,800	1,872	2,277	2,771	3,371	4,990
TOTAL EXPENSES	$134,162	$139,352	$144,743	$150,345	$156,165	$188,855	$228,445	$276,401	$404,907
NET OPERATING INCOME	$55,246	$55,741	$56,202	$56,629	$57,018	$58,283	$58,055	$55,731	$41,451
DEBT SERVICE									
First Lien Financing	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526
Second Lien	21,514	21,514	21,514	21,514	21,514	21,514	21,514	21,514	21,514
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$7,206	$7,701	$8,162	$8,589	$8,978	$10,243	$10,015	$7,691	($6,589)
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.19	1.21	1.21	1.16	0.86

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 06/29/08 PROGRAM: 9% HTC / HOME FILE NUMBER: **08216**

DEVELOPMENT

Chisum Trail Apartments

Location: 1100 Austin Region: 3

City: Sanger County: Denton Zip: 76266 ☐ QCT ☐ DDA

Key Attributes: Multifamily, Family, Rural, At Risk, USDA, Acquisition/Rehabilitation

ALLOCATION

	REQUEST			**RECOMMENDATION**		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
HOME Activity Funds	$450,000	1.00%	360/360	**$450,000**	**0.50%**	**314/314**
Housing Tax Credit (Annual)	$133,940			**$133,940**		

* Parity lien position; fully amortized over a term equal to remaining term of the USDA 515 loan (approx. 314 months).

CONDITIONS

1 Receipt, review, and acceptance, by the carryover, of USDA-RD approval of the same rates and terms transfer of the existing USDA-RD loans and acceptance of the additional HOME loan funds and a parity first lien.

2 Receipt, review, and acceptance, by cost certification, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents.

3 Receipt, review, and acceptance, by Carryover, of updated loan and equity commitments which are not more than 30 days old.

4 Should the terms or amounts of the proposed debt or equity change, the transaction should be reevaluated and an adjustment to the credit amount may be warranted.

SALIENT ISSUES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	2
50% of AMI	50% of AMI	18
60% of AMI	60% of AMI	20

TDHCA SET-ASIDES for HOME LURA		
Income Limit	Rent Limit	Number of Units
Low HOME	30% of AMI	2
Low HOME	50% of AMI	38
High HOME	65% of AMI	0

Comments:

The Applicant has elected to restrict more than 40% of the units at 50% of AMI or below in order to meet the IRC Section 42 exception for below market rate HOME loans. Also, a 30% boost is not available to the subject. Such a structure should mitigate risk of losing eligibility for the 9% HTCs.

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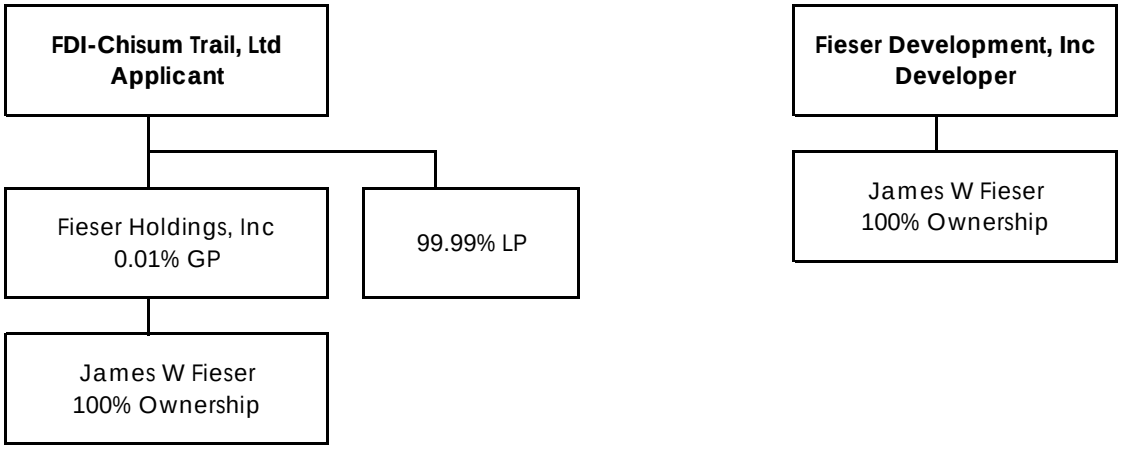
PROS	CONS
▫ The application proposes the rehabilitation of an existing 40 unit USDA-RD property constructed in 1984, maintenance of the 515 interest subsidy, and rental assistance for four units.	▫ The Applicant's expense to income ratio of 72% is well above the Department's 65% expense to income ratio, but rental assistance is received on 4 units and the HTC and HOME rents are well above the USDA-RD rents.
▫ The Applicant has considerable experience and financial resources	▫ If the HOME award is ultimately not received, the transaction may not be financially viable.

PREVIOUS UNDERWRITING REPORTS

None

DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



CONTACT

Contact: James W Fieser Phone: 281.347.8189 Fax: 281.347.8192
Email: jim.fieser@jfieser.com

KEY PARTICIPANTS

Name	Financial Notes	# Completed Developments
Fieser Holdings, Inc	N/A	--
Fieser Development, Inc	N/A	--
James W Fieser	N/A	17 HTC allocations

[1] Liquidity = Current Assets - Current Liabilities

IDENTITIES of INTEREST

▫ The Applicant, Developer, and supportive services provider are related entities. These are common relationships for HTC-funded developments.

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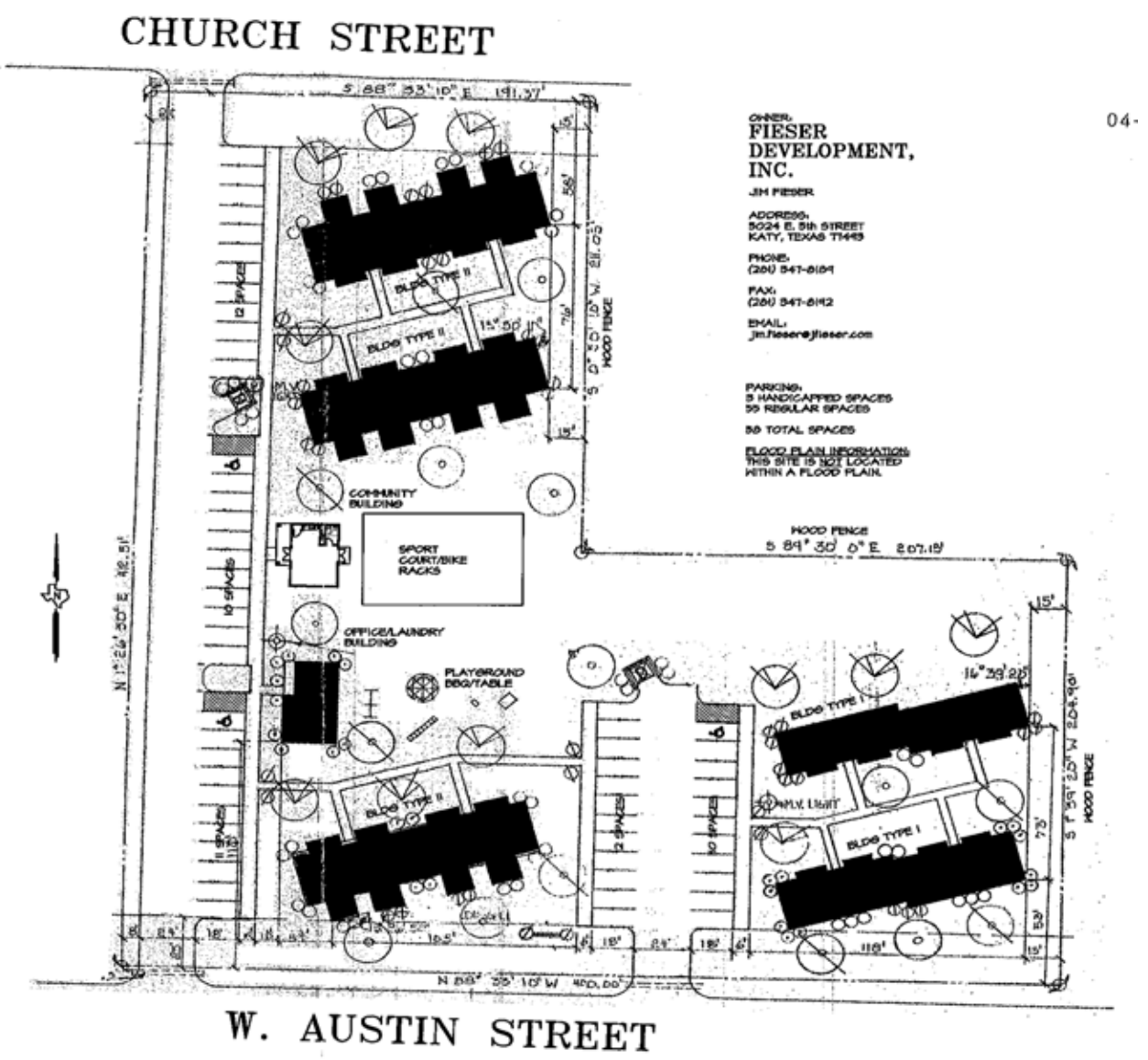
PROPOSED SITE

SITE PLAN



BUILDING CONFIGURATION

Building Type	A	B									Total Buildings
Floors/Stories	2	2									
Number	2	3									**5**

BR/BA	SF	Units										Total Units	Total SF
1/1	654	8										16	10,464
2/1	797		8									24	19,128
Units per Building		8	8									**40**	**29,592**

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Development Plan:

The Applicant provided a Capital Needs Assessment reflecting the following scope of work:

Repair damaged sidewalks and parking; install new fencing; replace dumpster enclosures; new community building; replace picnic table and playground equipment; repair basketball court; replace building soffits and fascias; replace common area flooring and repair/repaint walls; new landscaping; repair brick veneers; repair/replace stairways; enhance attic insulation; replace 30 heat pumps ; replace 27 water heaters; replace unit flooring; replace 15 exterior doors; replace 13 interior doors; replace 35 ranges and range hoods; replace 20 refrigerators; replace all fixtures and countertops; and refurbish/replace cabinets.

Relocation Plan:

The Applicant plans to temporarily relocate tenants during construction.

SITE ISSUES

Total Size:	2.792 acres	Scattered site?	[ ]	Yes	[x]	No		
Flood Zone:	X	Within 100-yr floodplain?	[ ]	Yes	[x]	No		
Zoning:	MF-2	Needs to be re-zoned?	[ ]	Yes	[x]	No	[ ]	N/A

TDHCA SITE INSPECTION

Inspector: Carter Sieber Date: 4/24/2008

Overall Assessment:

[ ] Excellent [x] Acceptable [ ] Questionable [ ] Poor [ ] Unacceptable

Surrounding Uses:

North: vacant commercial / Church St East: single family residential / IH-35

South: W Austin St / City Park w/pool West: vacant commercial

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Comments:

A Phase I Environmental Site Assessment was not provided because USDA-RD financed projects are not required to submit this report. However, environmental clearance will be required subsequent to any award of HOME funds but prior to draws.

MARKET HIGHLIGHTS

Provider: Sherrill & Associates, Inc Date: 2/16/2008

Contact: Jerry Sherrill Phone: 817.557.1791 Fax: N/A

Number of Revisions: 1 Date of Last Applicant Revision: 4/17/2008

Comments:

A market study is not required for existing USDA-RD transactions requesting TDHCA program funds. However, the appraisal provided reflects the following information regarding the subject market.

Primary Market Area (PMA):

"The subject is located in Sanger, Denton County, Texas which is located on Interstate Highway 35 at the intersection of Farm to Market Road 455. It is approximately 7 miles north of Denton, 18 miles south of Gainesville, 44 miles northwest of Dallas and 31 miles northeast of Fort Worth. Denton County had a population of 432,976 in year 2000 and it had an estimated population of 584,288 in 2006 which is an increase of 34.9% over year 2000 while population has increased 12.7% statewide" (p. 9).

This section intentionally left blank.

Secondary Market Area (SMA):

N/A

INCOME LIMITS						
Denton						
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
30	$13,950	$15,950	$17,950	$19,950	$21,550	$23,150
50	$23,300	$26,600	$29,950	$33,250	$35,900	$38,550
60	$27,960	$31,920	$35,940	$39,900	$43,080	$46,260

Unit Type (% AMI)			Current Contract Rent	Proposed Contract Rent	Market Rent	Underwriting Rent	Increase Over Contract
1 BR	654 SF	30%	$327	$367	$495	$367	$40
1 BR	654 SF	50%	$327	$367	$495	$367	$40
2 BR	797 SF	50%	$392	$436	$515	$436	$44
2 BR	797 SF	60%	$392	$436	$515	$436	$44

Comments:

As indicated previously, existing USDA 515 transactions are not required to provide a market study. However, the appraisal provided some general information regarding the market and achievable market rents for the subject. Moreover, the property has a current occupancy of 100% according to a rent roll provided at application and is proposing a temporary relocation of tenants. The presence of an existing tenant base mitigates potential concerns about the lack of information about the market.

Concentration:

Staff has calculated the concentration rate of the areas surrounding the property in accordance with Section 1.32(i)(2) of the Texas Administrative Code approved in 2007. The Underwriter has concluded a census tract concentration of 1.09 units per square mile which is less than the 1,432 units per square mile limit. A Primary Market Area concentration was not calculated because a Primary Market Area was not formally provided in the appraisal. The proposed development is in an area which has an acceptable level of apartment dispersion based upon the Department's standard criteria.

OPERATING PROFORMA ANALYSIS

Income: Number of Revisions: 2 Date of Last Applicant Revision: 4/9/2008

The Applicant's net rents are anticipated basic rent levels. These basic rents have not yet been approved by USDA-RD. The anticipated basic rents are 33% below the net program rents on average and 12% higher than the current USDA-RD basic rent levels. The property currently receives Rental Assistance (RA) on four units. It is likely that the rental assistance will cover the two proposed 30% units, which will allow the tenant paid rent plus RA to exceed the HTC maximum as reflected in the analysis. The appraisal reflects market rents well above the anticipated levels, which suggests that the anticipated rent levels would be achievable in this market. An increase of at least 10.7% on average is necessary in order to maintain a minimum DCR of 1.15.

As a result, the Underwriter has used the Applicant's anticipated basic rents, but receipt, review, and acceptance, by cost certification, of documentation that USDA-RD has approved an increase of at least 10.7% on average in the current basic rents is a condition of this report. The Applicant's secondary income and vacancy and collection loss estimates are in line with Department standards.

Expense: Number of Revisions: none Date of Last Applicant Revision: N/A

The Applicant's total expense estimate of $3,404 per unit is within 5% of the Underwriter's estimate of $3,409 per unit derived from actual 2007 operating statements for the property, the TDHCA database, IREM data, and other sources.

Conclusion:

The Applicant's estimate of Net Operating Income is within 5% of the Underwriter's estimate; therefore, the Applicant's Year One proforma is used to determine the development's debt capacity and debt coverage ratio (DCR). The proforma results in a DCR within the parameters of the Department's current guidelines. The Underwriter has adjusted the terms of the HOME loan to increase the likelihood of repayment and to match the remaining term of the USDA-515 loan. This is discussed in detail in the financing structure section below.

In addition, the Applicant's and Underwriter's expense to income ratios (both at 73%) are significantly above the TDHCA maximum of 65%. However, the 2008 Real Estate Analysis rules provide that a transaction with a ratio greater than 65% will be re-characterized as feasible if "the Development will receive rental assistance in association with USDA-RD-RHS financing." [§1.32(7)(B)(ii)]. The subject's rents are managed by USDA. As such the subject development meets this feasibility exception.

Feasibility:

The underwriting 30-year proforma utilizes a 3% annual growth factor for income and a 4% annual growth factor for expenses in accordance with current TDHCA guidelines. As noted above, the Applicant's base year effective gross income, expense and net operating income were utilized resulting in a debt coverage ratio that remains above 1.15 and continued positive cashflow for fifteen years. Because of the high expense to income ratio, it should be noted, the debt coverage ratio and cash flow fall below the Department's year one to 15 standards well before year 30 in both the Underwriter's and Applicant's proforma.

ACQUISITION INFORMATION

APPRAISED VALUE

Provider:	Sherrill & Associates, Inc		Date:	2/11/2008
Number of Revisions:	1	Date of Last Applicant Revision:	4/17/2008	

Land Only: 2.79 acres	$125,500	As of:	2/11/2008
Existing Buildings: (as-is)	$317,500	As of:	2/11/2008
USDA Financing Subsidy:	$666,000	As of:	2/11/2008
Total Development: (as-is)	$1,109,000	As of:	2/11/2008

ASSESSED VALUE

Land Only: 2.79 acres	$121,620	Tax Year:	2007
Existing Buildings:	$376,797	Valuation by:	Denton CAD
Total Assessed Value:	$498,417	Tax Rate:	2.17549

EVIDENCE of PROPERTY CONTROL

Type:	Improved Property - Commercial Contract	Acreage:	2.792
Contract Expiration:	12/15/2008	Valid Through Board Date?	[x] Yes [ ] No
Acquisition Cost:	$1,204,790	Other:	
Seller:	Chisum Trail Apts Ltd	Related to Development Team?	[ ] Yes [x] No

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CONSTRUCTION COST ESTIMATE EVALUATION

COST SCHEDULE Number of Revisions: none Date of Last Applicant Revision: N/A

Acquisition Value:

The Applicant has provided a contract for the purchase of the subject for $1,204,790 or $30K per unit. The Seller is not related to the buyer; however, the transfer must be approved by USDA-RD. History suggests that an acceptable transfer price is approximately the outstanding balance on the USDA 515 loan plus any exit taxes and original equity in the property. The outstanding balance on the USDA loan is approximately $1,004,794 and the original equity was $76,696 (including reserves funds). The Applicant did not provide documentation of the estimated exit taxes. However, the purchase price appears to be reasonable should USDA apply this standard. Of note, the Applicant has indicated that the existing reserves will be assumed by the partnership; however, this amount is not included in the purchase price and is not reflected in the Applicant's cost schedule. This is discussed in detail below.

The Applicant has estimated eligible building basis of $1,054,961 or 88% of the total acquisition price. The Underwriter has used an eligible building basis of $1,054,961, which is based on the Applicant's land value of $150,000. The Applicant's land value is higher than the appraised land value and tax assessed value.

Sitework Cost:

Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of $1,578 per unit, which is comparable to the estimate in the Capital Needs Assessment provided. The CNA also included $6K in demolition costs that were not reflected in the developer's cost schedule and the Underwriter has included this demolition in ineligible costs. It should be noted that the CNA was revised two times because it did not meet the Department's guidelines of requiring a CNA to account for the developer's entire planned scope of work.

Direct Construction Cost:

The Applicant's direct construction cost estimate is $6K or 1% greater than the estimate provided in the second revision of the Capital Needs Assessment (CNA). The underwriting analysis will reflect the CNA value.

Reserves:

The Applicant has indicated that the existing reserve for replacement accounts and balances will be assumed by the new owner per USDA-RD requirements. The Applicant has provided documentation that the existing reserve for replacement account balances are $78,328. This amount has not been included in the Applicant's development cost schedule or as a source of funds. However, per the Applicant, the entire amount of existing reserves will be retained in order to satisfy future capital needs. Therefore, the Underwriter has reflected the existing reserve balance as both a use of funds and a source of funds.

Of note, USDA limits the return to owner to 8% of the owner's original equity investment per year and any additional cashflow funds the reserve for replacements. Therefore, it is foreseeable that the Applicant will be able to set aside more than the budgeted $300 per unit per year.

Conclusion:

The Underwriter's cost schedule was derived from information presented in the application materials submitted by the Applicant. Any deviations from the Applicant's estimates are due to program and underwriting guidelines. Therefore, Underwriter's development cost schedule will be used to determine the development's need for permanent funds and to calculate eligible basis. An eligible basis of $2,349,764 supports annual tax credits of $135,124. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

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FINANCING STRUCTURE

SOURCES & USES Number of Revisions: 0 Date of Last Applicant Revision: N/A

Source: Icap Realty Advisors Type: **Interim Financing**

Principal: $181,803 Interest Rate: 7.3% [ ] Fixed Term: 24 months

Source: USDA-RD Section 515 Type: **Existing Financing to Transfer**

Principal: $1,004,790 Interest Rate: 1.0% [x] Fixed Amort: 314 months

Comments:

The Applicant is proposing a same rates and terms transfer of the existing USDA Section 515 mortgage. This type of transfer is generally intended to preserve the below market loan and avoid loss of eligibility for 9% credits associated with new below market funds.

The Applicant provided a promissory note, dated June 20 1984, reflecting an original balance of $1,040,000 and a 50 year term. Section 515 loans generally provide a subsidy of the market interest rate down to an effective rate of approximately 1%. The remaining term is approximately 314 months with a current balance of $1,004,790,as reflected above. The estimated balance is reflected as a source of funds in the recommended financing structure.

Source: Raymond James Type: **Syndication**

Proceeds: $1,137,349 Syndication Rate: 85% Anticipated HTC: $ 133,940

Comments:

The committed credit price appears to be consistent with recent trends in pricing. However, the Underwriter has performed a sensitivity test and determined that the credit price can decline to $0.77. At this point, deferred developer fee would exceed cumulative 15 year cashflow and the financial viability of the transaction may be jeopardized. Alternatively, should the final credit price increase to more than $0.867, all deferred developer fees would be eliminated and an adjustment to the credit amount may be warranted.

Amount: $78,328 Type: **Existing Reserves**

Comments:

As indicated above, the existing reserves balance will transfer to the partnership and be retained for future capital needs. This has been reflected as both a source and a use of funds.

Amount: $6,279 Type: **Deferred Developer Fees**

Market Uncertainty:

The financial market for tax credit developments from both a loan and equity perspective are in their greatest period of uncertainty since the early 1990's and fluctuations in pricing and private funding are expected to continue to occur. The Underwriter has evaluated the pricing flexibility independently for credits and interest rates under which this development could continue to be considered financially feasible. Because of the significant number of potential scenarios, the Underwriter has not modeled the potential impact of movement on both interest rates and equity pricing occurring at the same time.

Due to the uncertainty in the market and the potential for such movement in both equity pricing and interest rates, this report is conditioned upon updated loan and equity commitments at the submission of carryover. Should the revised commitments reflect changes in the anticipated permanent interest rate(s) and equity price, a re-evaluation of the financial feasibility of the transaction should be conducted.

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CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio within the Department's guideline of 1.15 to 1.35 with the Applicant's requested terms. However, the Underwriter has reduced the term of the HOME loan to match the remaining term on the USDA-515 loan and decreased the recommended interest rate from 1% to 0.5%, which results in annual debt service consistent with the requested structure and a healthy projected DCR of 1.15 based on the Applicant's proforma. The reduction in the interest rate is necessary to increase the likelihood of repayment of the HOME funds and to maintain a DCR at or above 1.15.

Lien position is another critical element in considering the financing of additional HOME funds for the transaction. There is no new money coming into the development from USDA and thus the additional lending risk associated with the development is primary vested in the additional HOME funding. In fact the USDA loan default risk decreases substantially with the infusion of capital from HOME and the HTC syndication. The Department has historically requested a parity lien with the existing USDA loans in such an instance so that the new HOME rehabilitation funds are not immediately subject to a default risk that might have more to do with USDA's regulations than the performance of the property which they generally control via the annual approval of budgets and basic rents. The request for a parity lien is an inducement for the department or any new lender by USDA to facilitate the preservation of a loan in their portfolio.

The approval of these issues by USDA is not a foregone conclusion however and therefore, receipt, review and acceptance of documentation that USDA-RD has approved the increase of at least 10.7% overall by cost certification along with the approval of the transfer and parity of the additional HOME debt by carryover are conditions of this report.

The Underwriter's total development cost estimate less the permanent loan of $1,004,790, requested HOME loan of $450,000, and existing reserves of $78,328 indicates the need for $1,143,628 in gap funds. Based on the submitted syndication terms, a tax credit allocation of $134,679 annually would be required to fill this gap in financing. Of the three possible tax credit allocations, Applicant's request ($133,940), the gap-driven amount ($134,679), and eligible basis-derived estimate ($135,124), the Applicant's request of $135,124 is recommended resulting in proceeds of $1,137,349 based on a syndication rate of 85%.

The Underwriter's recommended financing structure indicates the need for $1,672 in additional permanent funds. Deferred developer fees in this amount appear to be repayable from development cashflow within one year of stabilized operation.

The HOME award amount is below the 221(d)(3) limit for this project. In addition, the HOME award is below the prorata share of development cost based on the number HOME units to total units.

Return on Equity:

This is a USDA-RD transaction, in which the Applicant is restricted by the loan agreement to a return of no more than 8% per annum on the borrower's original investment, with any excess cash flow going to fund replacement reserves. USDA-RD will manage this return on equity restriction.

Underwriter:	*Cameron Dorsey*	Date:	June 29, 2008
Reviewing Underwriter:	*Raquel Morales*	Date:	June 29, 2008
Director of Real Estate Analysis:	*Tom Gouris*	Date:	June 29, 2008

MULTIFAMILY COMPARATIVE ANALYSIS

Chisum Trail Apartments, Sanger, 9% HTC / HOME #08216

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 30% / LH	2	1	1	654	$373	$367	$734	$0.56	$63.00	$58.00
TC 50% / LH	14	1	1	654	$623	$367	$5,138	$0.56	$63.00	$58.00
TC 50% / LH	4	2	1	797	$748	$436	$1,744	$0.55	$79.00	$62.00
TC 60% / LH	20	2	1	797	$748	$436	$8,720	$0.55	$79.00	$62.00
TOTAL:	40		**AVERAGE:**	740		$408	$16,336	$0.55	$72.60	$60.40

INCOME	Total Net Rentable Sq Ft: 29,592			TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$196,032	$196,032	Denton	Dallas	3
Secondary Income	Per Unit Per Month:	$15.00		7,200	7,200	$15.00	Per Unit Per Month	
Other Support Income:				0	0	$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$203,232	$203,232			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(15,242)	(15,240)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions				0	0			
EFFECTIVE GROSS INCOME				$187,990	$187,992			

EXPENSES		% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative		3.89%	$183	0.25	$7,313	$7,250	$0.24	$181	3.86%
Management		9.33%	438	0.59	17,538	17,712	0.60	443	9.42%
Payroll & Payroll Tax		13.49%	634	0.86	25,352	27,100	0.92	678	14.42%
Repairs & Maintenance		9.11%	428	0.58	17,120	15,700	0.53	393	8.35%
Utilities		2.37%	111	0.15	4,459	4,800	0.16	120	2.55%
Water, Sewer, & Trash		15.05%	707	0.96	28,293	26,500	0.90	663	14.10%
Property Insurance		5.51%	259	0.35	10,357	10,500	0.35	263	5.59%
Property Tax	2.17549	6.55%	308	0.42	12,318	13,000	0.44	325	6.92%
Reserve for Replacements		6.38%	300	0.41	12,000	12,000	0.41	300	6.38%
TDHCA Compliance Fees		0.85%	40	0.05	1,600	1,600	0.05	40	0.85%
Other:		0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES		72.53%	$3,409	$4.61	$136,349	$136,162	$4.60	$3,404	72.43%
NET OPERATING INC		27.47%	$1,291	$1.75	$51,641	$51,830	$1.75	$1,296	27.57%

DEBT SERVICE								
Existing USDA 515 First Lien	14.11%	$663	$0.90	$26,526	$26,526	$0.90	$663	14.11%
TDHCA HOME	9.24%	$434	$0.59	17,369	15,000	$0.51	$375	7.98%
Additional Financing	0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
NET CASH FLOW	4.12%	$194	$0.26	$7,746	$10,304	$0.35	$258	5.48%
AGGREGATE DEBT COVERAGE RATIO				1.18	1.25			
RECOMMENDED DEBT COVERAGE RATIO					1.15			

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		45.09%	$30,120	$40.71	$1,204,790	$1,204,790	$40.71	$30,120	46.37%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		2.36%	1,578	2.13	63,110	63,100	2.13	1,578	2.43%
Direct Construction		20.01%	13,369	18.07	534,750	540,900	18.28	13,523	20.82%
Contingency	10.00%	2.24%	1,495	2.02	59,786	60,400	2.04	1,510	2.32%
Contractor's Fees	14.00%	3.13%	2,093	2.83	83,700	84,560	2.86	2,114	3.25%
Indirect Construction		5.07%	3,388	4.58	135,500	135,500	4.58	3,388	5.21%
Ineligible Costs		3.52%	2,351	3.18	94,047	87,897	2.97	2,197	3.38%
Developer's Fees	20.00%	14.66%	9,791	13.23	391,627	393,150	13.29	9,829	15.13%
Interim Financing		0.99%	663	0.90	26,500	26,500	0.90	663	1.02%
Reserves		2.93%	1,958	2.65	78,328	1,621	0.05	41	0.06%
TOTAL COST		100.00%	$66,803	$90.30	$2,672,139	$2,598,418	$87.81	$64,960	100.00%
Construction Cost Recap		*27.74%*	***$18,534***	***$25.05***	***$741,346***	***$748,960***	***$25.31***	***$18,724***	*28.82%*

SOURCES OF FUNDS						RECOMMENDED	
Existing USDA 515 First Lien	37.60%	$25,120	$33.95	$1,004,790	$1,004,790	$1,004,790	Developer Fee Available
TDHCA HOME	16.84%	$11,250	$15.21	450,000	450,000	450,000	$393,150
HTC Syndication Proceeds	42.56%	$28,434	$38.43	1,137,349	1,137,349	1,137,349	% of Dev. Fee Deferred
Transfer Existing Reserves	2.93%	$1,958	$2.65	78,328	0	78,328	0%
Deferred Developer Fees	0.23%	$157	$0.21	6,279	6,279	1,672	
Additional (Excess) Funds Req'd	-0.17%	($115)	($0.16)	(4,607)	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$2,672,139	$2,598,418	$2,672,139	$121,017

PAYMENT COMPUTATION

Primary	$1,004,790	Amort	314
Int Rate	1.00%	DCR	1.95

Secondary	$450,000	Amort	360
Int Rate	1.00%	Subtotal DCR	1.18

Additional	$1,137,349	Amort	
Int Rate		Aggregate DCR	1.18

RECOMMENDED FINANCING STRUCTURE APPLICANT'S NOI:

Primary Debt Service	$26,526
Secondary Debt Service	18,352
Additional Debt Service	0
NET CASH FLOW	$6,952

Primary	$1,004,790	Amort	314
Int Rate	1.00%	DCR	1.95

Secondary	$450,000	Amort	314
Int Rate	0.50%	Subtotal DCR	1.15

Additional	$1,137,349	Amort	0
Int Rate	0.00%	Aggregate DCR	1.15

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

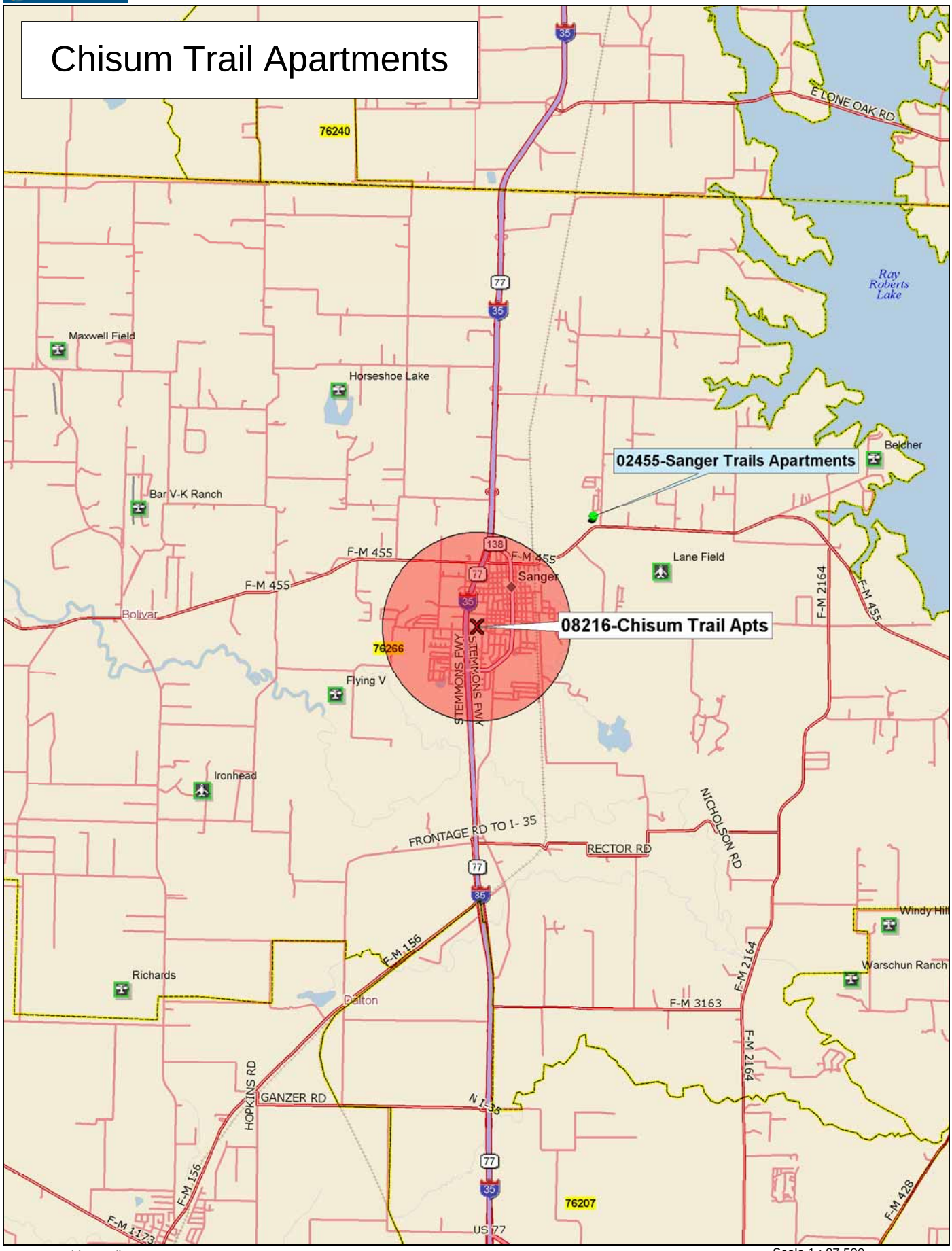
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$196,032	$201,913	$207,970	$214,209	$220,636	$255,777	$296,516	$343,743	$461,962
Secondary Income	7,200	7,416	7,638	7,868	8,104	9,394	10,891	12,625	16,967
Other Support Income:	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	203,232	209,329	215,609	222,077	228,739	265,172	307,407	356,369	478,930
Vacancy & Collection Loss	(15,240)	(15,700)	(16,171)	(16,656)	(17,155)	(19,888)	(23,055)	(26,728)	(35,920)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$187,992	$193,629	$199,438	$205,421	$211,584	$245,284	$284,351	$329,641	$443,010
EXPENSES at 4.00%									
General & Administrative	$7,250	$7,540	$7,842	$8,155	$8,481	$10,319	$12,555	$15,275	$22,610
Management	17,712	18,243	18,790	19,354	19,935	23,110	26,791	31,058	41,739
Payroll & Payroll Tax	27,100	28,184	29,311	30,484	31,703	38,572	46,928	57,096	84,515
Repairs & Maintenance	15,700	16,328	16,981	17,660	18,367	22,346	27,187	33,078	48,963
Utilities	4,800	4,992	5,192	5,399	5,615	6,832	8,312	10,113	14,970
Water, Sewer & Trash	26,500	27,560	28,662	29,809	31,001	37,718	45,889	55,832	82,644
Insurance	10,500	10,920	11,357	11,811	12,284	14,945	18,183	22,122	32,746
Property Tax	13,000	13,520	14,061	14,623	15,208	18,503	22,512	27,389	40,542
Reserve for Replacements	12,000	12,480	12,979	13,498	14,038	17,080	20,780	25,282	37,424
Other	1,600	1,664	1,731	1,800	1,872	2,277	2,771	3,371	4,990
TOTAL EXPENSES	$136,162	$141,431	$146,906	$152,594	$158,505	$191,701	$231,908	$280,614	$411,143
NET OPERATING INCOME	$51,830	$52,198	$52,532	$52,827	$53,079	$53,583	$52,443	$49,027	$31,867
DEBT SERVICE									
First Lien Financing	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526	$26,526
Second Lien	18,352	18,352	18,352	18,352	18,352	18,352	18,352	18,352	18,352
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$6,952	$7,320	$7,654	$7,949	$8,201	$8,705	$7,565	$4,149	($13,011)
DEBT COVERAGE RATIO	1.15	1.16	1.17	1.18	1.18	1.19	1.17	1.09	0.71

HTC ALLOCATION ANALYSIS -Chisum Trail Apartments, Sanger, 9% HTC / HOME #08216

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	$150,000	$150,000				
Purchase of buildings	$1,054,790	$1,054,790	$1,054,790	$1,054,790		
Off-Site Improvements						
Sitework	$63,100	$63,110			$63,100	$63,110
Construction Hard Costs	$540,900	$534,750			$540,900	$534,750
Contractor Fees	$84,560	$83,700			$84,560	$83,700
Contingencies	$60,400	$59,786			$60,400	$59,786
Eligible Indirect Fees	$135,500	$135,500			$135,500	$135,500
Eligible Financing Fees	$26,500	$26,500			$26,500	$26,500
All Ineligible Costs	$87,897	$94,047				
Developer Fees			$210,958	$210,958	$182,192	$180,669
Developer Fees	$393,150	$391,627				
Development Reserves	$1,621	$78,328				
TOTAL DEVELOPMENT COSTS	$2,598,418	$2,672,139	$1,265,748	$1,265,748	$1,093,152	$1,084,016

Deduct from Basis:					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
TOTAL ELIGIBLE BASIS	$1,265,748	$1,265,748	$1,093,152	$1,084,016	
High Cost Area Adjustment			100%	100%	
TOTAL ADJUSTED BASIS	$1,265,748	$1,265,748	$1,093,152	$1,084,016	
Applicable Fraction	100%	100%	100%	100%	
TOTAL QUALIFIED BASIS	$1,265,748	$1,265,748	$1,093,152	$1,084,016	
Applicable Percentage	3.55%	3.55%	8.32%	8.32%	
TOTAL AMOUNT OF TAX CREDITS	$44,934	$44,934	$90,950	$90,190	
Syndication Proceeds	**0.8491**	**$381,557**	**$381,557**	**$772,302**	**$765,848**
Total Tax Credits (Eligible Basis Method)				**$135,884**	**$135,124**
Syndication Proceeds				**$1,153,859**	**$1,147,404**
Requested Tax Credits				**$133,940**	
Syndication Proceeds				**$1,137,349**	
Gap of Syndication Proceeds Needed				**$1,143,628**	**$1,139,021**
Total Tax Credits (Gap Method)				**$134,679**	**$134,137**

Chisum Trail Apartments



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TN

MN (4.6°E)

Scale 1 : 87,500

1" = 1.38 mi

Data Zoom 11-2

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of the 2009 HOME Single Family Housing Programs for Persons with Disabilities and Contract for Deed Conversion Program Notices of Funding Availability (NOFAs).

Requested Action

Approve, Deny or Approve with Amendments the 2009 HOME Single Family Housing Programs for Persons with Disabilities and Contract for Deed Conversion Program Notices of Funding Availability (NOFAs).

Background

The U.S. Department of Housing and Urban Development (HUD) has released the Program Year 2009 formula grant amounts for the HOME Investment Partnerships Program which reflect a total HOME allocation of $43,933,530 for Program Year 2009. This is a 9.7% increase in funds from Program Year 2008. On July, 1, 2009, the Executive Director executed the 2009 Grant Agreement with HUD for acceptance of these funds. Today staff is presenting the 2009 Contract for Deed Conversion Program and 2009 Single Family Housing Programs for Persons with Disabilities Notices of Funding Availability (NOFAs).

The Department's approved 2009 Consolidated Annual Action Plan includes a $2,000,000 set-aside for contract for deed (CFD) conversions, and approximately $1,196,677 for Single Family Housing Programs for Persons with Disabilities (PWD). The annual plan also included funding for the Single Family, Rental Housing Development, and Colonia Model Subdivision and Single Family Development activities. NOFAs for these programs were approved by the Board at the May 21, 2009, Board meeting and are being recommended for revisions on today's agenda under a separate action item.

Single Family Housing Programs for Persons with Disabilities NOFA

In addition to the $1,196,677 in 2009 funds for Single Family Housing Programs for Persons with Disabilities, $3,503 in unused funds from the 2008 Rental Housing Development for Persons with Disabilities NOFA funds are available for use statewide, and $429,659 in unused funds are available and must be used in non-PJ areas because they were deobligated from non-PJ contracts. Staff also recommends $133,699 in unused

funds from the 2008 Single Family Persons with Disabilities NOFA be transferred to the 2009 NOFA. Should the Board approve staff's recommendation, the 2009 NOFA will make approximately $1,763,538 in funds available for programs including Homebuyer Assistance (HBA) and Tenant-Based Rental Assistance (TBRA) targeted for persons with disabilities.

On July 2, 2009, HOME program staff solicited and incorporated input from the Disability Advisory Workgroup (DAW) to finalize the NOFA.

Pursuant to §2306 of Texas Government Code, the Department is required to use 5% of the Department's annual allocation of HOME funds for activities for persons with disabilities. Funds under this set-aside are not subject to the Regional Allocation Formula (RAF). The availability and use of these funds is subject to the Department's HOME Program Rule (10 TAC Chapter 53) and the federal regulations governing the HOME Program (24 CFR Part 92). An open application cycle will be used to process applications received in response to this NOFA.

Contract for Deed Conversion Program NOFA

As stated previously, staff recommends approval of the 2009 Contract for Deed Conversion Program NOFA which makes available $2,000,000 in 2009 funds for conversions of contracts for deed. A contract for deed allows the current owner to retain legal title to a piece of property while the resident pays on a contract which will allow them to obtain title when the contract is satisfied. The Contract for Deed Conversion Program facilitates the conversion of these contracts to real mortgages which allows the resident to take legal title and ownership in the property. The legislature has required that the Department spend $2,000,000 annually for this purpose.

In May 2008, the Board approved the 2008 Contract for Deed Program NOFA which made $9,280,000 in funds available until May 1, 2009. The amount available in the NOFA includes the balance of $4 million from 2006 and 2007, the reserved but then deobligated balance of $3.2 million from prior years and the $2 million set-aside from the 2008 HOME allocation.

To date, the Board has approved all four applications received during the application acceptance period for a total of $2,000,000 in awards. Approximately $7,280,000 in funds remains undersubscribed and unused.

While the Department has made several changes to the HOME Program Rule to facilitate contract for deed activities, including two increases in the amount of funding per unit, the program faces persistent obstacles including clearance of outstanding title issues and a limited number of qualified program administrators. These issues led to an undersubscription of applications in 2008 and staff anticipates the possibility of limited applicants during 2009 as many of the qualified and experienced program applicants received awards during the past several months. Staff is recommending $2,000,000 be made available in the 2009 NOFA in accordance with statute and staff recommends

reserving an additional $2,000,000 of the prior balance in the HOME Fund Balance Report to be added to the 2009 Contract for Deed Conversion Program NOFA at a future date to address any potential latent demand that was not realized in prior years. Staff recommends that the remaining $5,280,000 in unused 2008 funds be made available for reprogramming to other activities in order to meet HUD commitment and expenditure deadlines. The legislative requirement to "spend" $2,000,000 of these funds annually has not been met by the Department but rather funds have been made available to qualified applicants for that purpose. This action deobligates the oldest funds since new funds are added with each new HOME grant year. If approved, staff will bring recommendations for reprogramming the remainder of the unused funds to fund other high demand activities once additional data is available regarding subscription rates to the other 2009 NOFA's.

Funding for contract for deed conversions is a required set-aside identified in §2306 of Texas Government Code and is, therefore, not subject to the Regional Allocation Formula (RAF). The availability and use of these funds is subject to the Department's HOME Program Rule (10 TAC Chapter 53) and the federal regulations governing the HOME Program (24 CFR Part 92). An open application cycle will be used to process applications received in response to this NOFA.

The proposed NOFAs are attached to this action item.

Recommendation

Staff recommends approval of the 2009 Contract for Deed Conversion Program and 2009 Single Family Housing Program for Persons with Disabilities Notices of Funding Availability (NOFAs) and approval to release for publication in the *Texas Register*.

Texas Department of Housing and Community Affairs

HOME Investment Partnerships Program (HOME)

2009 Single Family Housing Programs for Persons with Disabilities Notice of Funding Availability (NOFA)

1) Summary.

a) The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $1,763,538 in funding from the HOME Investment Partnerships Program (HOME) allocation for single family housing programs including Homebuyer Assistance (HBA) and Tenant-Based Rental Assistance (TBRA) to assist low-income persons with disabilities.

b) The availability and use of these funds is subject to the Department's HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR §92), and Chapter 2306 of the Texas Government Code. Other federal regulations apply, including but not limited to:

i) 24 CFR §50 and §58 (Environmental Requirements);
ii) 24 CFR §85.36 and §84.42 (Procurement and Conflict of Interest Regulations); and
iii) 24 CFR §5(A) (Federal Fair Housing Regulations).

2) Source of Funds.

These funds are made available through the Department's deobligated HOME funds, unallocated 2008 funds, and the 2009 annual HOME allocation reserved for persons with disabilities from the U.S. Department of Housing and Urban Development (HUD). These funds are set-aside for eligible applicants proposing to provide assistance to eligible homebuyers for the acquisition (including downpayment and closing costs) of or acquisition and rehabilitation for accessibility of single family housing and households seeking rental subsidies, including security and utility deposits, through tenant-based rental assistance. Households assisted must be at or below 80% of the Area Median Family Income (AMFI) as defined by HUD, and, in accordance with Texas Government Code, Chapter 2306.111(c)(2), be composed of at least one household member who meets the definition of a person with a disability, as defined by HUD, who lives in any area of the this state.

3) Allocation of Funds.

a) In accordance with §2306.111 of the Texas Government Code, these funds are not subject to the Regional Allocation Formula (RAF).

b) A total of $1,763,538 in funds is available and is comprised of $1,196,677 in 2009 funds for Single Family Housing Programs for Persons with Disabilities available for use statewide, as published in the 2009 State of Texas Consolidated Plan One-Year Action Plan, $137,202 in unused funds from 2008 NOFAs for Persons with Disabilities available for use statewide, and $429,659 in unused funds which must be used in non-PJ areas.

c) For the first 180 days of this NOFA or until **5:00 p.m. Tuesday, February 2, 2010**, $881,769 of the funds will be available for the HBA Activity and $881,769 will be available for the TBRA Activity. These amounts consist of $666,939 available statewide (including PJs) and $214,830 restricted to non-PJ areas of the state, for each of the Program Activities.

4) Application Cycle.

a) In accordance with 10 TAC §53.48(a) this NOFA will be an open application cycle with funds available on a first-come, first-served basis. Applications will be accepted by the Department **only** from those applicants requesting TBRA funds proposing to assist persons transitioning from an institution where at least 25% of the total households proposed must be targeted to persons transitioning from an institutional setting into a community placement or community setting until all funds have been requested or **5:00 p.m. Friday, October 30, 2009, regardless of method of delivery.**

b) **On Monday, November 2, 2009**, funds not requested under the first 90-day cycle will be made available to any eligible applicant under each activity specified in this NOFA. Applications will be accepted by the Department on an on-going basis until all funds have been requested or **5:00 p.m. Tuesday, February 2, 2010, regardless of method of delivery.**

c) **On Wednesday, February 3, 2010,** any remaining funds not requested under either the HBA or TBRA set-aside will be made available to either activity specified in this NOFA. Applications will be accepted by the Department on an on-going basis until all funds have been requested or **5:00 p.m. Friday, May 28, 2010.**

d) Should funds made available under this NOFA become, at any time, oversubscribed or all funds be awarded; the Department may choose to close the NOFA in accordance to 10 TAC §53.48(a)(1).

5) **Rider 5 Provision.** Applicants awarded funds may use the state average median family income, adjusted for income level and household size, to determine income eligibility for eligible households living in those counties where the area median family income is lower than the state average median family income. This option is in accordance with the Housing Assistance Rider of the Department's Legislative Appropriation.

6) **Limitation on Funds.**

a) Except for the $429,659 limited for use in non-PJ areas, all funds are eligible for use in any area of the state including in a Participating Jurisdiction (PJ) as described in the 2009 State of Texas Consolidated Plan One-Year Action Plan.

b) The Department awards HOME funds to eligible entities. The maximum award amount may not exceed $318,000, including administrative costs, for Homebuyer Assistance and $318,000, including administrative costs, for Tenant-Based Rental Assistance. Up to $530,000, including administrative costs may be awarded to Homebuyer Assistance applicants whose Service Area includes multiple counties within a Uniform State Service Region.

c) An applicant may submit an Application to apply for additional funding as long as the Applicant is 100% committed on their current contract for the same activity.

d) With the exception of Tenant-Based Rental Assistance, the minimum HOME assistance amount per unit may not be less than $1,000 per HOME assisted unit. The per-unit subsidy may not exceed limits established under §221(d)(3) of the National Housing Act, which are applicable to the area in which the housing is located and as published by HUD. The purchase price of the housing unit plus the value of the rehabilitation or reconstruction, if applicable, must not exceed 95% of the Single Family Mortgage Limits under Section 203(b) of the National Housing Act.

e) Each applicant that is awarded HOME funds may also be eligible to receive funding for administrative costs. In accordance with §53.85(a)(1), for Program Activities that are serving Persons with Disabilities, funds for Administrative Costs cannot exceed 6% of the total project costs for the entire Contract term. Administrator must use funds for Administrative costs in accordance with 24 CFR §92.207.

f) In accordance to §53.72, before the effective date of the HOME Contract, the Contract Administrator may incur and be reimbursed for travel costs, as provided for with Administrative funds, related to mandatory implementation training required by the Department as a condition of receiving a HOME award and Contract.

7) Eligible and Ineligible Applicants.

a) Eligible Applicants are Units of General Local Government, Nonprofit Organizations, Public Housing Authorities (PHAs), and for-profit entities.

b) If an Applicant that is a nonprofit organization is requesting a waiver of the grant application fee, they must do so in the resolution, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services.

c) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 of the Department's HOME Program Rule. Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

8) Eligible and Prohibited Activities.

a) Eligible activities include those permissible under the federal HOME Final Rule at 24 CFR §92.205 and the Department's HOME Program Rule at 10 TAC §53.32 for HBA and §53.33 for TBRA.

b) Prohibited activities include those at 24 CFR §92.214 and 10 TAC §53.37.

9) Homebuyer Assistance (HBA). Until 5:00 p.m. Tuesday, February 2, 2010, approximately $881,768 of HOME Funds released under this NOFA shall be set-aside for Homebuyer Assistance. This program activity may be used to provide downpayment, closing cost (including soft costs), and rehabilitation assistance to eligible first time homebuyers earning 80% or less of the Area Median Family Income (AMFI) as defined by HUD for the acquisition of affordable single family housing. If needed, rehabilitation assistance must be provided for required accessibility modifications.

a) Maximum Award. In accordance with 10 TAC §53.47(a)(1), the award amount for HBA shall not exceed $318,000, including administrative costs, per Application. However; up to $530,000, including administrative costs, may be awarded to HBA Applicants whose Service Area includes multiple counties within a Uniform State Service Region. In accordance with 10 TAC §53.85(a)(1), for the Program Activities that are serving Persons with Disabilities, funds for Administrative costs cannot exceed 6% of the total project costs for the entire Contract term.

b) Form of Assistance.

i) In accordance with §53.32(e), the maximum amount of assistance is the total of the downpayment and closing cost assistance and soft costs provided to an eligible household. The total amount of downpayment and closing cost assistance is limited to $15,000 per eligible household for Persons with Disabilities. As defined in 10 TAC §53.32(f), the maximum amount of assistance for rehabilitation is the total of the constructions costs and soft costs

provided to an eligible household that is also using funds for acquisition and is limited to $20,000. Rehabilitation assistance must be utilized for accessibility modifications to the unit.

ii) In accordance with 10 TAC §53.32(m), the first lien mortgage must meet the following requirements:
   (1) No adjustable rate mortgage loans (ARMs) or interest rate buy-down loans are allowed;
   (2) No mortgages with a loan to value equal to or greater than 100% are allowed;
   (3) Must not be a subprime mortgage loan as defined in 10 TAC §53.2(92);
   (4) An origination fee and any other fees associated with the mortgage loan may not exceed 2% of the loan amount; and
   (5) The debt to income ratio (back-end ratio) may not exceed 45%.

iii) HBA assistance will be structured as follows:
   (1) 0% interest rate;
   (2) five (5) or ten (10) year term contingent upon the total amount of assistance and in accordance with the federal affordability requirements at 24 CFR §92.254(a)(4);
   (3) 2nd or 3rd lien; and
   (4) Deferred forgivable loan per §(9)(b)(iv) of this NOFA.

iv) Any forgiveness of the loan occurs upon the anniversary date of the Household's continuous occupancy as its principal residence and continues on an annual pro-rata basis until maturity of the loan. In the event that the housing unit ceases to be the principal residence of the household, the forgiveness of the loan, if applicable, will cease. In the event that the housing unit ceases to be the principal residence of the household, the department has established that the federal recapture requirements defined in 24 CFR §92.254 will be imposed.

c) Period of Affordability. The federal affordability requirements as defined in 24 CFR §92.254 will be imposed for all activities involving acquisition.

d) Property Standards. HOME-assisted housing under the HBA Program must meet all applicable State and local housing quality standards and code requirements. In the absence of such standards or code requirements, the housing must meet the Housing Quality Standards (HQS) in 24 CFR §982.401. When HOME funds are used for rehabilitation, the entire unit must be brought into compliance with the applicable property standards, local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion pursuant to 24 CFR §92.251(a)(a). In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, the International Residential Code, Texas Minimum Construction Standards (TMCS) and be in compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code. Additionally, housing that is rehabilitated with funds awarded under this NOFA must meet energy efficiency standards established by §2306.187 of the Texas Government

Code, and energy standards as verified by RESCHECK, in accordance with the Final Rule.

e) Contract Terms. In accordance with 10 TAC §53.73(a)(2), the contract term for the HBA Program Activity shall not exceed twenty-four (24) months and performance under the contract will be evaluated according to the following benchmarks:
   i) Six (6) months, exempt administrative and environmental clearance must be complete for at least one Household to be assisted;
   ii) Twelve (12) months, environmental clearance must be complete for at least 50% of the Households to be assisted, 50% of funds must be committed, 25% of funds drawn, and 25% of match supplied;
   iii) Eighteen (18) months, environmental clearance must be complete for at least 75% of the Households to be assisted, 75% of funds must be committed, 50% of funds drawn, and 50% of match requirement supplied; and
   iv) Twenty-four (24) months, 100% of funds must be committed, 100% of funds drawn, and 100% of matched supplied.

f) **Application Threshold Requirements**. The following threshold criteria listed in this subsection and in subsection (g) are mandatory requirements at the time of application submission, unless specifically indicated otherwise, and will be included in the written agreement if funds are awarded.
   i) **Cash Reserve**. Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Applicants must evidence the ability to administer the program and commit cash reserves of at least $80,000 to facilitate administration of the program during the Department's disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this commitment and the amount of the commitment must be included in the Applicant's resolution and budget. Applicants must submit:
      (1) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
      (2) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
      (3) Evidence of an available line of credit or equivalent of at least $80,000.

   ii) **Resolution**. All applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date from the Applicant's direct governing body which includes:
      (1) Authorization of the submission of the Application;
      (2) Commitment and amount of cash reserves for use during the contract period; source of funds for match obligation and match dollar amount;
      (3) Name and title of the person authorized to represent the organization; and
      (4) Signature authority to execute a contract.

iii) **Description of Demand**. All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area which includes:
(1) Third Party source data (i.e. Census data);
(2) Calculations (i.e. amounts to be spent/contributed locally per project); and
(3) Assumptions.

iv) **Homebuyer Counseling**. Applicants must evidence that a minimum of eight (8) hours of homebuyer counseling to all eligible participants will be provided by a certified homebuyer counselor. This evidence must include:
(1) Documentation describing the level of homebuyer counseling proposed, including post purchase counseling;
(2) Applicant must state who will provide the homebuyer counseling;
(3) A copy of the curriculum; and
(4) A copy of the proposed written agreement with the service provider (if the applicant is not providing the service).

v) **Plan for Identifying Accessibility needs of the Homebuyer.** Applicant must submit a plan that clearly describes the process and expertise to be used in determining the accessibility needs of the homebuyer. The plan should include resumes of qualified/experienced staff or proposed agreement with a qualified/experienced third party company or agency.

g) **Threshold Score**. In addition to the threshold requirements under §(9)(f) of this NOFA, the application must meet the **minimum threshold score of 12**. This score is tallied using points from the following categories:
i) **Affordable Housing Needs Score**. Points range from zero to seven, as published by the Department. (**Maximum 7 points**);
ii) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for income targeting of households assisted. Table 1 will be used to determine income targeting requirements and associated points, as follows: (**Maximum 10 points**);

Table 1. HBA Point Incentives for Income Targeting

Income Target	Points
5% to 29.99% of units at 60% AMFI	3
30% to 59.99% of units at 60% AMFI	7
60% to 100% of units at 60% AMFI	10

iii) **Experience Providing Services to Persons with Disabilities.** Applicants must have at least 5 or more years providing services specifically targeting the needs of persons with disabilities as evidenced by previous contracts with funding entities for these services. To satisfy the requirement for this

category, applicant may provide evidence of a partnership with an entity or organization that meets the requirement. (**Maximum 5 points**); and,

iv) **Experience Providing Homebuyer Assistance Service**. Applying entity must have at least two (2) years experience providing homebuyer assistance services as evidenced by current or previous contracts with funding entities for these services. To satisfy the requirement for this category, applicant may provide evidence of a partnership with an entity or organization that meets this requirement. (**Maximum 5 points**).

10) Tenant-Based Rental Assistance (TBRA). Until 5:00 p.m. Tuesday, February 2, 2010, approximately $881,768 of HOME Funds released under this NOFA shall be set-aside for Tenant-Based Rental Assistance to provide eligible households rental subsidies, including security and utility deposits, to tenants earning 80% or less of the Area Median Family Income (AMFI) as defined by HUD. In accordance with 24 CFR §92.216, not less than 90% of the households assisted with respect to TBRA or rental units, must have incomes at or below 60% of the AMFI, as defined by HUD. Funds requested and awarded under this section must meet the requirements of this section.

a) Maximum Award. In accordance with 10 TAC §53.47(a)(1) the maximum award amount for TBRA shall not exceed $318,000, including administrative costs, per Application. In accordance with §53.85(a)(1), for the TBRA program activity, funds for administrative costs cannot exceed 6% of the total project funds for the entire Contract term.

b) Form of Assistance.
   i) Through the TBRA program, rental subsidy and security and utility deposit assistance is provided to tenants as a grant, in accordance with written tenant selection policies, for a period not to exceed twenty-four (24) months, which shall include among its objectives the securing of a permanent source of affordable housing on or before the expiration of the rental subsidy. Security deposits and utility deposits may be provided in conjunction with rental assistance. A security deposit cannot exceed two (2) months rent for the unit.
   ii) As per 10 TAC §53.33, the Household must comply with the following initial eligibility requirements:
      (1) Participate in an approved self-sufficiency program;
      (2) Maintain principal residency in the rental unit for which the subsidy is being provided;
      (3) Be an income eligible household; reside in a rental unit that is located within the Administrator's Service Area; and
      (4) Meet all other Program eligibility requirements as required by the Department.
   iii) As defined in 10 TAC §53.33(d) the rental standard must not exceed HUD's "Fair Market Rent for the Housing Choice Voucher Program."

c) Period of Affordability. There is no period of affordability for TBRA projects.

d) Property Standards. As defined in 10 TAC §53.33(e), rental units must be inspected prior to occupancy, inspected annually, and must comply with Housing Quality Standards established by HUD in 24 CFR §982.401.

e) Contract Terms. In accordance with 10 TAC §53.73(a)(3), the contract term for the TBRA Program shall not exceed thirty-six (36) months. Individual household assistance is limited to twenty-four (24) months and performance under the contract will be evaluated according to the following benchmarks:
   i) Six (6) months, exempt administrative environmental clearance must be complete and application intake complete for 30% for Households to be assisted;
   ii) Nine (9) months, application intake complete for 75% for Households to be assisted;
   iii) Twelve (12) months, 100% of funds must be committed to Households to be assisted and 25% of funds drawn;
   iv) Eighteen (18) months, 100% of funds already committed and 35% of funds drawn;
   v) Twenty-four (24) months, 100% of funds already committed and 50% of funds drawn; and
   vi) Thirty-six (36) months, 100% of funds already committed and 100% of funds drawn.

f) **Application Threshold Requirements.** The following threshold criteria listed in this subsection and in subsection (g) are mandatory requirements at the time of application submission unless specifically indicated otherwise and will be included in the written agreement, if awarded funds:
   i) **Cash Reserve**. Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Every Applicant must evidence the ability to administer the program and commit adequate cash reserves of at least one (1) month of rent for the number of households proposed to serve as stated in the application to facilitate administration of the program during the Department's disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Applicants must submit:
      (1) Current financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
      (2) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
      (3) Evidence of an available line of credit for the total amount of cash reserves required.

   ii) **Resolution**. All applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date from the Applicant's direct governing body which includes:

(1) Authorization of the submission of the Application;
(2) Commitment and amount of cash reserves for use during the contract period;
(3) Name and title of the person authorized to represent the organization; and
(4) Signature authority to execute a contract.

iii) **Description of Demand**. All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area which includes:
(1) Source data (i.e. Census data/availability of rental units);
(2) Calculations (i.e. amounts to be spent/contributed locally per project); and
(3) Assumptions.

iv) **TBRA Self Sufficiency Program**. Applicants must submit a proposed detailed Self Sufficiency Plan, and must:
(1) Describe the process for the transition of households to permanent housing by the end of the twenty-four (24) month rental assistance contract;
(2) Include documentation describing the necessary components for the overall plan proposed for transition of potential tenants;
(3) Detail, like a case management plan, the needs of the tenant, how these needs will be addressed including any agreements with service providers who shall assist the tenant at meeting these needs, and a proposed timeframe for completing those activities;
(4) Include a sample household budget which will utilize existing sources of income such as employment, disability payments and other types of support that details how the assisted household will afford to be self-sufficient by the end of the twenty-four (24) month rental assistance;
(5) If additional income is required to attain self-sufficiency, include a plan for attaining the required education or training, or a job search plan;
(6) Include specific housing goals that will be completed on or before the end of the twenty-four (24) month assistance period, including:
(a) Finding permanently subsidized housing;
(b) Acquiring affordable market housing; or
(c) Other permanent housing solutions.
(7) Include the required steps, such as:
(a) Completion of an application for affordable housing;
(b) Approximate waiting time to acquire the type of housing desired; and
(c) The cost of the housing to the tenant.

g) **Threshold Score**. The application must meet the **minimum threshold score of 10**. This score is tallied using points from the following categories:

i) **Affordable Housing Needs Score**. Points range from zero to seven, as published by the Department. (**Maximum 7 points**).

ii) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application

points for income targeting of households assisted. (Maximum 20 points). Table 2 will be used to determine income targeting requirements and associated points; as follows.

Table 2. Point Incentives for Income Targeting (TBRA)

Income Target	Points
5% to 29.99 % of units at 50% AMFI	1
30% to 59.99 % of units at 50% AMFI	3
60% to 100 % of units at 50% AMFI	5
5% to 29.99% of units at 30% AMFI	+6
30% to 59.99% of units at 30% AMFI	+11
60% to 100% of units at 30% AMFI	+15

11) Review Process.

a) Pursuant to 10 TAC §53.48(a), each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a received date based on the date and time it is physically received by the Division. Each application will be reviewed on its own merits as applicable. Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier received date but that did not complete a phase of review in a timely manner.

b) The Department will ensure review of materials for eligibility and threshold criteria, and requirements of the NOFA and Application Submission Procedures Manual (ASPM), and will issue a notice of any Administrative Deficiencies within forty-five (45) days of the received date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will continue the review process. Applications with Administrative Deficiencies not cured within five (5) business days will be terminated and must reapply for consideration of funds. Applications that have completed this phase will be reviewed for recommendation to the Board by the Executive Award and Review Advisory Committee (EARAC).

c) Because Applications are processed in the order they are received by the Department, it is possible that the Department will award all available HOME funds before an Application has been completely reviewed. If, on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

d) An applicant will be ineligible if they meet any of the criteria in 10 TAC §53.42 and will be terminated without being processed as an Administrative Deficiency.

e) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.

f) All Applicants will be processed through the Department's Application Evaluation System, which includes a previous award and past performance evaluation. Poor past performance may disqualify an Applicant for a funding recommendation, or the recommendation may include conditions.

g) Funding recommendations of eligible Applicants will be presented to the Department's Governing Board of Directors based on eligibility. Recommendations are limited by the total amount of funds available under this NOFA and the maximum award amount.

h) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, of the Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC §1.17.

i) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

12) Application Submission.

a) All applications submitted under this NOFA must be received on or before **5:00 p.m. Friday, May 28, 2010**, regardless of method of delivery.

b) The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays, from the date this NOFA is published on the Department's web site until the deadline. Questions regarding this NOFA should be addressed to:

HOME Division

c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.

d) Applicants must submit one complete original printed copy of all Application materials and one complete scanned copy on a disc of the Application materials as detailed in the Application Submission Procedures Manual (ASPM). All scanned copies must be scanned in accordance with the guidance provided in the ASPM.

e) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

f) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $30 per Application. Payment must be in the form of a check, cashier's check or money order. **Do not send cash.** Pursuant to §2306.147(b) of the Texas Government Code, the Department will waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.

g) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review the State and Federal regulations, and contact the HOME Division for guidance and assistance.

h) Application Workshop. The Department will conduct application workshops in locations throughout the State which provide an overview of the HOME Program Activities eligible under this NOFA and also provide Application preparation and submission requirements, evaluation criteria, and state and federal program information.

i) Audit Requirements. An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline, per 10 TAC §1.3(b). This is a threshold requirement

outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

Applications must be sent via overnight delivery to:

Texas Department of Housing and Community Affairs
HOME Division
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:

Texas Department of Housing and Community Affairs
HOME Division
PO Box 13941
Austin, TX 78711-3941

Texas Department of Housing and Community Affairs

HOME Investment Partnerships Program

Contract for Deed Conversion Program
Notice of Funding Availability (NOFA)

1) Summary.

a) The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $2,000,000 in funding from the HOME Investment Partnerships Program for contract for deed conversions for low-income Texans.

b) The availability and use of these funds is subject to the Department's HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR §92), and Chapter 2306, Texas Government Code. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program. Other federal regulations may also apply, including, but not limited to:

i) 24 CFR §50 and §58 (Environmental Requirements);
ii) 24 CFR §85.36 and §84.42 (Conflict of Interest Regulations); and
iii) 24 CFR §5(A) (Federal Fair Housing Regulations).

2) Source of Funds.

a) These funds are made available through the Department's 2009 allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). The funds are set-aside for eligible applicants proposing to provide assistance to eligible homebuyers for the acquisition or the acquisition and rehabilitation, new construction or reconstruction of properties for the purposes of converting an eligible contract for deed to homeownership and bringing the unit up to standards.

b) In accordance with Rider 6 of the Department's General Appropriations Act, all funds released under this NOFA are to be used for contract for deed conversion for families that reside in a colonia with household income at or below 60% of the Area Median Family Income (AMFI), as defined by HUD.

3) Allocation of Funds. In accordance with §2306.111, Texas Government Code, these funds are not subject to the Regional Allocation Formula (RAF).

4) **Application Cycle.** In accordance with 10 TAC §53.48, this NOFA will be an open application cycle and funding will be available on a first-come, first-served basis. Applications will be accepted by the Department on an on-going basis until all funds have been awarded or **5:00 p.m. on Friday, May 28, 2010**, whichever occurs first, regardless of method of delivery. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet eligibility and minimum threshold criteria will not be considered for funding.

5) **Rider 5 Provision.** Applicants awarded funds may use the state average median family income, adjusted for income level and household size, to determine income eligibility for eligible households living in those counties where the area median family income is lower than the state average median family income. This option is in accordance with the Housing Assistance Rider of the Department's Legislative Appropriation.

6) **Limitation on Funds.**

a) HOME funds will not be eligible for use in a Participating Jurisdiction (PJ). Any HOME funds available for serving households in a PJ will only be made available under a separate NOFA for Persons with Disabilities as described in the 2009 State of Texas Consolidated Plan One-Year Action Plan.

b) The Department awards HOME funds to eligible organizations and the maximum award amount may not exceed $520,000, including administrative costs, per contract.

c) Each applicant that is awarded HOME funds may be eligible to receive funding for administrative costs of 4% of the total project costs for the entire Contract term. The award amount for administrative costs shall not exceed the amount allowed per 10 TAC §53.85.

d) Applicants may apply for additional funds, including administrative costs, of up to $520,000 under this NOFA only if the applicant has successfully committed 100% of the project funds of the previous award funded under this NOFA. The maximum amount of funds that may be awarded per applicant is $1,040,000 under this NOFA.

e) The minimum HOME assistance amount per unit may not be less than $1,000 per HOME assisted unit. The per-unit subsidy may not exceed limits established under §221(d)(3) of the National Housing Act, which are applicable to the area in which the development is located, and as published by HUD. The purchase price of the housing unit, plus the value of the rehabilitation or reconstruction if applicable, must not exceed 95% of the Single Family Mortgage Limits under Section 203(b) of the National Housing Act.

7) **Eligible and Ineligible Applicants.**

a) Eligible applicants include nonprofit organizations, units of general local government, for-profit entities and public housing agencies.

b) Applicants may be ineligible for funding if they meet any of the criteria listed in §53.42 of the Department's HOME Program Rule, with the exception of applicants who have had funds deobligated for delays in completing their contractual requirements as described in §53.42(1). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

8) Matching Funds. Applicants are required to provide eligible match in the amount of 5% or more of the requested project funds. Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

9) Eligible and Prohibited Activities.

a) Eligible activities include those permissible under the federal HOME Final Rule at 24 CFR §92.205 and the Department's HOME Program Rule at 10 TAC §§53.31 and 53.32 and must involve conversions of contracts for deed.

b) Prohibited activities include those at 24 CFR §92.214 and 10 TAC §53.37.

10) Eligible Costs.

a) In accordance with 10 TAC §53.32(g), the maximum amount of assistance is the total of acquisition, closing, and soft costs provided to an eligible household for a contract for deed conversion and is limited to $25,000. In the case of a contract for deed conversion housing unit that involves both the acquisition of a loan on an existing MHU and/or the loan for the associated land, the Executive Director may grant an exception to exceed this amount; however, the Executive Director will not grant an exception to exceed $40,000 of assistance.

b) In accordance with 10 TAC §53.32(h), the maximum amount of assistance for rehabilitation (including soft costs) to an eligible household for a contract for deed conversion is limited to the OCC Program Activity requirements in 10 TAC §53.31(g) as follows:
   i) Rehabilitation that is Reconstruction: The lesser of $73.00 per square foot or $80,000, if the reconstruction includes actual costs for an aerobic septic system and/or demolition. If the reconstruction includes costs for an aerobic septic system and/or demolition, the total construction costs cannot exceed $73.00 per square foot exclusive of the aerobic septic system and demolition costs; and
   ii) Rehabilitation that is not Reconstruction: $30,000.

c) The maximum amount allowable for project soft costs is defined in 10 TAC §53.85.

11) Affordability Requirements. Applicants should be aware that there are minimum affordability periods for HOME-assisted housing. The unit assisted must be the primary

residence of the homebuyer. Single family housing units assisted with HOME funds must comply with the affordability requirements defined at 24 CFR §92.254.

12) Form of Assistance.

a) Awarded organizations will provide the HOME assistance to the homebuyer in the form of a loan. Each loan will be in the form of a zero percent (0%) interest, deferred forgivable loan with a term based on the total amount of assistance provided and in accordance with 24 CFR §92.254.

b) All loans to assisted homebuyers must be evidenced by loan documents provided by the Department. Each loan to an assisted homebuyer must be payable to Department. Each loan for rehabilitation shall be evidenced by a construction loan agreement, note, deed of trust, mechanic's lien note, and mechanic's lien contract secured by the property and must be fully executed before any construction activities commence.

c) If at any time prior to the full loan period there occurs a resale of the property, a refinance of any superior lien, a repayment of any superior lien, or if the unit ceases to be the assisted homebuyer's principal residence, the remaining loan balance shall become due and payable.

d) Forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share number of years of the remaining loan term.

e) In the event the home is sold (voluntary or involuntary), the assisted homebuyer will pay the loan balance from the shared net proceeds of the sale. The shared net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs. A copy of the HUD settlement statement must be provided.

13) Site and Construction Restrictions.

a) The property assisted must be located in a Colonia. Pursuant to 10 TAC, Chapter 53, a Colonia is defined as a geographic area that is located in a county some part of which is within 150 miles of the international border of this state that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that:

   i) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Texas Water Code; or

   ii) has the physical and economic characteristics of a Colonia, as determined by the Department.

b) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, the International Residential Code, Texas Minimum Construction Standards (TMCS) and be in compliance with the basic access standards in new construction, established by §2306.514, Texas Government Code.

c) Housing that is rehabilitated with funds awarded under this NOFA must meet all applicable local codes, rehabilitation standards, ordinances, zoning ordinances, energy efficiency standards established by §2306.187 of the Texas Government Code, and energy standards as verified by RESCHECK, in accordance with the 24 CFR Part 92.

d) All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR §982.401. When HOME funds are used for rehabilitation, the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

14) **Contract Terms.** The contract term shall not exceed 24 months and performance under the contract will be evaluated according to the following benchmarks:

a) Six (6) months, exempt administrative and broad review environmental clearance must be complete, and if not tiering, the first Household to be assisted must be environmentally cleared;

b) Eight (8) months, Authority to Use Grant Funds must be fully executed and all Households to be assisted must be environmentally cleared;

c) Twelve (12) months, 100% of funds must be committed to Households to be assisted;

d) Sixteen (16) months, 100% of Household's Loans must be closed, if applicable;

e) Twenty-Two (22) months, 100% of construction must be complete for all Households to be assisted; and

f) Twenty-Four (24) months, 100% funds drawn and 100% of match requirement supplied.

15) **Threshold Criteria.** The following threshold criteria listed in this subsection are mandatory requirements at the time of application submission, unless specifically indicated otherwise, and will be included in the written agreement if funds are awarded:

a) **Cash Reserve.** Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Applicants must evidence the ability to administer the program and commit cash reserves of at least $50,000 to facilitate administration of the program during the Department’s disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this

commitment and the amount of the commitment must be included in the Applicant's resolution and budget. Applicants must submit:

i) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
ii) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
iii) Evidence of an available line of credit or equivalent of at least $50,000.

b) **Resolution.** All applications submitted must include an original resolution from the Applicant's direct governing body. The resolution must be signed and dated within the six months preceding the application submission date and the resolution must:
   i) Authorize the submission of the Application,
   ii) Commit cash reserves for use during the contract period per subsection (a) of this section;
   iii) State the source of funds for match obligation and match dollar amount of at least 5% of project funds in accordance with section (8);
   iv) Name the person authorized to represent the organization and granting signature authority to execute a contract.

c) **Colonia Status Requirement.** Applicants are required to submit documentation verifying that the targeted Colonia(s) in which the proposed households will be assisted meets the requirements of section 3(d) of this NOFA and is registered with the Office of the Attorney General or the Secretary of the State as a Colonia. Information regarding Colonia status is available online through the Office of the Attorney General at http://maps.oag.state.tx.us/colgeog/ and through the Secretary of the State at http://www.sos.state.tx.us/border/colonias/reg-colonias/index.shtml.

16) Review Process.

a) Pursuant to 10 TAC §53.48, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a received date based on the date and time it is physically received by the Division. Each application will be reviewed on its own merits as applicable. Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA Applications proceeding in a timely fashion through a Phase will take priority over applications that may have an earlier received date but that did not complete a phase of review in a timely manner.

b) The Department will ensure review of materials required under the NOFA and Application Submission Procedures Manual (ASPM) and will issue a notice of any Administrative Deficiencies within 45 days of the received date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will continue the review process. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase will be reviewed for recommendation to the Board by the Executive Award and Review Advisory Committee (EARAC).

c) Because Applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an Application has been completely reviewed. If on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

d) An applicant will be ineligible if they meet any of the criteria in 10 TAC §53.42 and will be terminated without being processed as an Administrative Deficiency.

e) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.

f) All applicants will be processed through the Department's Application Evaluation System, which includes a previous award and past performance evaluation. Poor past performance may disqualify an Applicant for a funding recommendation, or the recommendation may include conditions.

g) Funding recommendations of eligible Applications will be presented to the Department's Governing Board of Directors based on eligibility. Recommendations are limited by the total amount of funds available under this NOFA and the maximum award amount.

h) In accordance with §2306.082 Texas Government Code and 10 TAC §53.6, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

i) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

17) Application Submission.

a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **Friday, May 28, 2010, regardless of method of delivery**.

b) The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. Question regarding this NOFA should be addressed to:

HOME Division
221 E. 11th Street
Austin, Texas 78701
Telephone: (512) 463-8921
E-mail: HOME@tdhca.state.tx.us

c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.

d) Applicants must submit one complete printed copy of all Application materials and one complete scanned copy on a disc of the Application materials as detailed in the Application Submission Procedures Manual (ASPM). All scanned copies must be scanned in accordance with the guidance provided in the ASPM.

e) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Final Rule (24 CFR Part 92) and the Department's HOME Program Rule (10 TAC Chapter 53) and threshold and eligibility requirements at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

f) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $30 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. §2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.

g) This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations, and contact the HOME Division for guidance and assistance.

h) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review the State and Federal regulations and contact the HOME Division for guidance and assistance.

i) The Department may conduct application workshops which provide an overview of the HOME Program Activities eligible under this NOFA and also provide Application preparation and submission requirements, evaluation criteria, and state and federal program information.

j) An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline for funds or other assistance per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

k) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Post Office Box 13941
Austin, TX 78711-3941

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of Revisions to the 2009 HOME Rental Housing Development (RHD) Program, 2009 Single Family (Owner-Occupied Housing Assistance, Tenant-Based Rental Assistance, and Homebuyer Assistance Programs), and 2009 Colonia Model Subdivision and Single Family Development Notices of Funding Availability (NOFAs).

Requested Action

Approve, Deny or Approve with Amendments the Revised HOME Investment Partnerships Program 2009 Single Family, 2009 Rental Housing Development, and 2009 Colonia Model Subdivision and Single Family Development Program Notices of Funding Availability (NOFAs).

Background

On May 21, 2009, the Board approved three 2009 HOME Program Notices of Funding Availability (NOFAs), including the 2009 HOME Rental Housing Development (RHD) Program, 2009 Single Family, and 2009 Colonia Model Subdivision and Single Family Development NOFAs. At the time, HUD had released the Program Year 2009 formula grant amounts for the HOME Investment Partnerships Program. However, the Department had not yet received and executed the 2009 Funding Approval and Grant Agreement from HUD but expected receipt of the agreement within days of the Board meeting. As a result, staff recommended and the Board approved the NOFAs subject to execution of the Grant Agreement with HUD. However, the NOFAs weren't published in the *Texas Register*.

The Department has received and executed the 2009 Funding Approval and Grant Agreement, which includes $43,933,530 in HOME Investment Partnerships Program funding. Since staff did not anticipate a delay in receiving the Grant Agreement from HUD, staff developed each NOFA with funding made available through the Regional Allocation Formula (RAF) until July 20, 2009. Pursuant to §2306.1115 of Texas Government Code, the funds made available in these NOFAs are subject to the RAF. In order to meet this statutory requirement staff recommends that the Board approve a revision to the regional allocation end date from July 20, 2009 to August 31, 2009. This revision will allow a period of approximately 45 days for applicants wishing to complete for funds under the RAF to complete and submit an application to the Department.

In addition, as discussed under report item 2, presentation of the current HOME Fund Balance Report, staff recommends transferring $6,500,000 from the Department's available fund balance to the General Set-Aside in the 2009 Rental Housing Development NOFA. Should the Board approve this transfer, the total funds available under the 2009 RHD NOFA will be $18,090,030. Currently, applications totaling $59,224,931 are pending under the 2008 RHD and CHDO RHD NOFAs with just $3,131,369 in available funds remaining after approval of today's awards. Due to Board action at the May 21, 2009 Board meeting, these applications will also have the

opportunity to be considered for funds under the 2009 RHD NOFA. It should be noted however, that many of these applicants are associated with tax credit applications and may also be applying for TCAP and/or exchange funds.

The revised NOFAs are attached to this action item.

Recommendation

Staff recommends approval of the revised 2009 Single Family, 2009 Rental Housing Development, and 2009 Colonia Model Subdivision and Single Family Development Program Notices of Funding Availability (NOFAs), approval of the transfer of $6,500,000 from the available balance of funds to the 2009 RHD NOFA, and approval to release for publication in the *Texas Register*.

Texas Department of Housing and Community Affairs
HOME Investment Partnerships Program

Rental Housing Development Program
Notice of Funding Availability (NOFA)

1) Summary. The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $18,090,030 in funding from the HOME Investment Partnerships Program for the development of affordable rental housing for low-income Texans. The availability and use of these funds is subject to the State HOME Rules at Title 10 Texas Administrative Code (10 TAC) Chapter 53 ("HOME Rules") in effect at the time Application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306 of the Texas Government Code. Other Federal regulations may also apply such as, but not limited to, 24 CFR Parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR §§85.36 and 84.42 for conflict of interest and 24 CFR Part 5, Subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

2) Allocation of HOME Funds.

a) These funds are made available through the Department's allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD). These HOME funds have been programmed for rental housing development activities involving new construction, rehabilitation, acquisition and rehabilitation of affordable housing. The funds made available under this NOFA are subject to the following set-asides.

i) **CHDO Set-Aside.** At least $5,590,030 in funds are set-aside to eligible Community Housing Development Organizations (CHDOs) meeting the requirements of 10 TAC §53.50 and this NOFA.

ii) **Persons with Disabilities Set-Aside.** $1,000,000 in funds are set-aside to fund Applications proposing all of their HOME units to be restricted for persons with disabilities and are subject to the Department's Integrated Housing Rule at 10 TAC §1.15. Funds requested and awarded under this set-aside may be located in any area of the state including within other Participating Jurisdictions. Funds requested and awarded under this set-aside are subject to a $500,000 per Application funding limit.

iii) **General Set-Aside.** The remaining $11,500,000 in funds shall be available to all other Applications proposing Rental Housing Development that meet the requirements of this NOFA, the HOME Program Rule, and the Federal HOME regulations. Of the $10,000,000 available under this set-aside, $6,500,000 in funds is not subject to the Regional Allocation Formula under subsection (b) of this section.

iv) An Applicant may have only one active Application under at a time and may apply under one set-aside at a time. Additionally, the following processes will be followed for the review and award of Applications:

(1) Once all funds from the CHDO has been awarded, all pending Applications remaining in this set-aside will be considered for funds under the General set-aside;
(2) Once all funds from the Persons with Disabilities Set-Aside have been awarded, pending Applications under this set-aside must reapply to be considered under the General or other set-asides due to the different statutory and NOFA requirements for these Applications; and
(3) The Department may complete the CHDO Certification process for Applications that originally applied under the CHDO set-aside but receiving funds from the General set-aside in order to meet the Department's future obligations to award funds CHDO activities.

b) In accordance with 10 TAC §53.48, this NOFA will be conducted as an open Application cycle and funding will be available on a first-come, first-served basis. Applications for funds under the CHDO or General Set-Asides, submitted prior to 5:00 p.m. on **August 31, 2009** are subject to the Regional Allocation Formula (RAF) in Tables 1 and 2 as follows, except as provided in subsection (a)(iii) of this section.

Table 1. CHDO Set-Aside Regional Allocation

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$300,082	5.4%	$300,015	100.0%	$67	0.0%
2	Abilene	$204,588	3.7%	$198,870	97.2%	$5,718	2.8%
3	Dallas/Fort Worth	$1,095,392	19.6%	$317,968	29.0%	$777,423	71.0%
4	Tyler	$624,559	11.2%	$530,815	85.0%	$93,744	15.0%
5	Beaumont	$282,240	5.0%	$258,373	91.5%	$23,867	8.5%
6	Houston	$412,502	7.4%	$145,989	35.4%	$266,514	64.6%
7	Austin/Round Rock	$292,062	5.2%	$120,252	41.2%	$171,810	58.8%
8	Waco	$178,041	3.2%	$126,300	70.9%	$51,741	29.1%
9	San Antonio	$282,362	5.1%	$184,797	65.4%	$97,565	34.6%
10	Corpus Christi	$378,105	6.8%	$266,651	70.5%	$111,454	29.5%
11	Brownsville/Harlingen	$1,109,964	19.9%	$623,975	56.2%	$485,989	43.8%
12	San Angelo	$245,995	4.4%	$105,935	43.1%	$140,060	56.9%
13	El Paso	$184,137	3.3%	$134,428	73.0%	$49,709	27.0%
	Total	$5,590,030	100.0%	$3,314,369	59.3%	$2,275,661	40.7%

Table 2. General Set-Aside Regional Allocation

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$268,408	5.4%	$268,348	100.0%	$60	0.0%
2	Abilene	$182,994	3.7%	$177,879	97.2%	$5,115	2.8%
3	Dallas/Fort Worth	$979,773	19.6%	$284,407	29.0%	$695,366	71.0%
4	Tyler	$558,636	11.2%	$474,787	85.0%	$83,849	15.0%
5	Beaumont	$252,450	5.0%	$231,102	91.5%	$21,348	8.5%
6	Houston	$368,963	7.4%	$130,580	35.4%	$238,383	64.6%
7	Austin/Round Rock	$261,234	5.2%	$107,559	41.2%	$153,675	58.8%
8	Waco	$159,249	3.2%	$112,969	70.9%	$46,279	29.1%
9	San Antonio	$252,558	5.1%	$165,291	65.4%	$87,267	34.6%
10	Corpus Christi	$338,196	6.8%	$238,506	70.5%	$99,690	29.5%
11	Brownsville/Harlingen	$992,807	19.9%	$558,115	56.2%	$434,693	43.8%
12	San Angelo	$220,030	4.4%	$94,754	43.1%	$125,277	56.9%
13	El Paso	$164,701	3.3%	$120,239	73.0%	$44,462	27.0%
	Total	$5,000,000	100.0%	$2,964,536	59.3%	$2,035,464	40.7%

c) Any funds not requested in an Application received by 5:00 p.m. **August 31, 2009**, will collapse into an open Application cycle with funding available statewide and not subject to the RAF. Applications for funds under the Persons with Disabilities Set-Aside are not subject to the Regional Allocation formula and are available statewide. Applicants are encouraged to review the Application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding. Based on the availability of funds, Applications for the statewide open Application cycle will be accepted until 5:00 p.m. **April 30, 2010.** The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §53.41. Project funds awards are limited to no more than **$3,000,000** per Application except for Applications receiving funds from the Persons with Disabilities set-aside as provided in §(2)(a)(iii) of this NOFA.

d) Each CHDO that is awarded HOME funds may also be eligible to receive a grant for CHDO Operating Expenses. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME Application. The award amount for CHDO Operating Expenses shall not exceed $50,000. Awards for operating expenses will be drawn over a two (2) year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.

e) Developments involving rehabilitation must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least $15,000 per unit in direct hard costs, unless the property is also being financed by the United States Department of Agriculture's Rural Development program. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a)(1).

3) Eligible and Prohibited Activities.

a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205, and at 10 TAC §§53.34 and 53.50, which involve only the acquisition, rehabilitation or construction of affordable rental developments.

b) Prohibited activities include those under federal HOME rules at 24 CFR §92.214 and 10 TAC §53.37.

c) Rental development funds will not be eligible for use in a Participating Jurisdiction (PJ) except for Applications receiving funds under the Persons with Disabilities set-aside.

d) Refinancing of federally financed properties or use of HOME funds for properties constructed within five (5) years of the submission of an Application for assistance will not be permissible.

4) Eligible and Ineligible Applicants.

a) The Department provides HOME funding to qualified nonprofit organizations, for-profit entities, sole proprietors, public housing authorities and units of general local government.

b) Applicants will be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 or as provided in 10 TAC §49.5(a) excluding subsections (5) - (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to Application submission.

5) Matching Funds. Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match.

6) Affordability Requirements.

a) Applicants should be aware that there are minimum affordability standards necessary for HOME assisted rental developments. Unless further restricted, initial occupancy income restrictions require that at least 90% of the units are affordable to persons below 60% AMFI and that 20% of the units are affordable to person below 50% AMFI. Over the remaining affordability period at least 20% of HOME assisted units should be affordable to persons earning 50% or less than the AMFI, all remaining units must be affordable to persons earning 80% or less than the AMFI.

b) Each development will have a two-tier affordability term to be structured as follows:

i) The first tier will entail the federally required affordability term. For new construction or acquisition of new housing, this term is twenty (20) years. For rehabilitation or acquisition of existing housing, the term is five (5) years if the HOME investment is less than $15,000 per unit; ten (10) years if the HOME investment is $15,000 to $40,000 per unit; and fifteen (15) years if the HOME investment is greater than $40,000 per unit. This first tier is subject to all federal laws and regulations regarding HOME requirements, recapture, net proceeds and affordability.

ii) The second tier of affordability is the additional number of years required to bring the total term of affordability up to thirty (30) years or the term of the loan agreement. For example, the second tier of affordability on a ten (10) year federal affordability term is twenty (20) additional years. The second tier, or remaining term, is subject only to state regulations and affordability requirements.

c) All Applicants will be required to enter into a contract with the Department and properties will be restricted under a Land Use Restriction Agreement ("LURA"), or other such instrument as determined by the Department for these terms. Among other restrictions, the LURA may require the owner of the property to continue to accept subsidies which may be offered by the federal government, prohibit the owner from exercising an option to prepay a federally insured loan, impose tenant income-based occupancy and rental restrictions, or impose any of these and other restrictions as deemed necessary at the sole discretion of the Department in order to preserve the property as affordable housing on a case-by-case basis.

d) Applications receiving funds from the Persons with Disabilities set-aside will be required to designate all HOME units as "fixed HOME units" as provided in 24 CFR §92.252(j). All other Applications are required to designate all HOME units as "floating HOME units" as provided in 24 CFR §92.252(j).

7) Site and Development Restrictions.

a) Pursuant to 24 CFR §92.251, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR §200.925 or §200.926. To avoid duplicative inspections when Federal Housing Administration (FHA) financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

b) All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR §982.401. When HOME funds are used for a rehabilitation development the entire unit must be brought up to the applicable property standards, pursuant to 24 CFR §92.251(a) (1). All multifamily rehabilitation developments are subject to a Uniform Physical Conditions Standards inspection. All deficiencies identified in that inspection must be corrected before final retainage is released.

c) Housing developments must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794). Multifamily housing developments must meet the design and construction requirements at the Texas Administrative Code, Title 10, Chapter 60, Subchapter (B) 10 TAC §§60.201-211). Covered multifamily dwellings, as defined at 24 CFR §100.201 as well as common use facilities in developments with covered dwellings must meet the design and construction requirements at 24 CFR §100.205, which implement the Fair Housing Act (42 U.S.C. §§3601–3619) and the design and construction requirements of the Fair Housing Act Design Manual. Additionally, pursuant to the 2009 Qualified Allocation Plan (QAP), 10 TAC §49.9(h)(4)(H), Developments involving New Construction (excluding New Construction of nonresidential buildings) where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level and all common-use facilities in compliance with the design and construction requirements of the Fair Housing Act Design Manual, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A compliance certification

will be required after the Development is completed from an inspector, architect, or accessibility specialist. Any Developments designed as single family structures must also satisfy the requirements of §2306.514 of the Texas Government Code.

d) All Applications will be required to meet Section 8 Housing Quality Standards detailed under 24 CFR §982.401, Texas Minimum Construction Standards, as well as the Fair Housing Accessibility Standards and Section 504 of the Rehabilitation Act of 1973 as reflected in §(7)(c) of this NOFA. Developments must also meet all local building codes or standards that may apply. If the development is located within a jurisdiction that does not have building codes, developments must meet the most current International Building Code.

e) For funds being used for Rental Housing Developments, the Recipient must establish a reserve account consistent with §2306.186 of the Texas Government Code, and as further described in 10 TAC §1.37, pursuant to 10 TAC §53.45(c).

f) 10 TAC §49.6 of the Qualified Allocation Plan and Rules apply, except for subsections (d), (f), (g), (h), and (k).

g) Developments involving new construction will be limited to 252 Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. The minimum number of units shall be 4 units, pursuant to 10 TAC §53.45(b).

8) Public Notification Requirements. Evidence in the form of a certification of all of the notifications described in the subsections of this section is required. Such notices must be prepared in accordance with the "Public Notifications" certification provided in the Application.

a) Neighborhood Organizations Request. Evidence in the form of a certification that the Applicant met the requirements and deadlines identified in the clauses of this subsection and proof thereof is required. Notifications must not be older than three (3) months prior to the date the Application is submitted. The Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:

i) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application materials to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;

ii) If no reply letter is received from the local elected officials by seven (7) days prior to the submission of the Application, then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application materials;

iii) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected

officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.

b) Written Notification. Not later than the date the Application is submitted, Applicants are required to provide written notification by e-mail, fax or mail with registered receipt return or similar tracking mechanism in the format required in the "Application Notification Template" provided in the Application materials to each of the following persons or entities. Failure to provide written notifications not later that the date the Application is submitted, at a minimum, will cause an Application to be terminated. Applicants must provide notifications to:
   i) Neighborhood Organizations on record with the state or county whose boundaries include the proposed Development Site as identified in §(8)(a) of this NOFA;
   ii) Superintendent of the school district containing the Development;
   iii) Presiding officer of the board of trustees of the school district containing the Development;
   iv) Mayor of the Governing Body of any municipality containing the Development;
   v) All elected members of the Governing Body of any municipality containing the Development;
   vi) Presiding officer of the Governing Body of the county containing the Development;
   vii) All elected members of the Governing Body of the county containing the Development;
   viii) State senator of the district containing the Development; and
   ix) State representative of the district containing the Development.

c) Each such notice must include, at a minimum, all of the following:
   i) The Applicant's name, address, individual contact name and phone number;
   ii) The Development name, address, city and county;
   iii) A statement informing the entity or individual being notified that the Applicant is submitting a request for HOME funds with the Texas Department of Housing and Community Affairs;
   iv) Statement of whether the Development proposes New Construction, reconstruction, Adaptive Reuse or Rehabilitation;
   v) The type of Development being proposed (single family homes, duplex, apartments, townhomes, high-rise etc.) and population being served (family, Intergenerational Housing or elderly);
   vi) The approximate total number of Units and approximate total number of low-income Units;
   vii) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the approximate percentage of Units that are market rate;
   viii) The number of Units and proposed rents (less utility allowances) for the low-income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Application, which are subject to change as annual changes in the area median income occur;
   ix) The expected completion date if funds are awarded; and
   x) Any other information required in the ASPM or 10 TAC §49.9(h)(8) of the Qualified Allocation Plan and Rules (QAP).

d) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development Site prior to the date the Application is submitted unless prohibited by local ordinance or code. Scattered site Developments must install a sign on each non-contiguous Development Site. Evidence submitted with the Application must include photographs of the site with the installed sign. The sign must be at least 4 feet by 8 feet in size and located within 20 feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the Development. The information and lettering on the sign must meet the minimum requirements identified in the Application materials. In areas where the Public Notification Sign is prohibited by local

ordinance or code, an alternative to installing a Public Notification Sign and at the same required time, the Applicant shall, mail written notification to those addresses described in either §(8)(d)(i) or (ii) of this NOFA. This written notification must include the information otherwise required for the sign as provided in the Application materials. The Application must include a map of the proposed Development Site and mark the distance required by §(8)(d)(i) or (ii) of this NOFA, up to 1,000 feet, showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. If Public Notification Sign is prohibited by local ordinance or code, evidence of the applicable ordinance or code must be submitted in the Application.

i) All addresses required for notification by local zoning notification requirements. For example, if the local zoning notification requirement is notification to all those addresses within 200 feet, then that would be the distance used for this purpose; or
ii) For Developments located in communities that do not have zoning, communities that do not require a zoning notification or those located outside of a municipality, all addresses located within 1,000 feet of any part of the proposed Development Site.

e) If any of the Units in the Development are occupied at the time of Application, then the Applicant must certify that it has notified each tenant at the Development of all the information otherwise required on the sign, including the Department's public hearing schedule for comment on submitted Applications, if applicable.

9) Threshold Criteria. The following Threshold Criteria listed in this section are mandatory requirements at the time of Application submission unless specifically indicated otherwise.

a) **Uniform Requirements.** All the Threshold requirements in 10 TAC §49.9(h) of the Qualified Allocation Plan and Rules (QAP) in effect at the time of Application submission are requirements except as provided herein. For the purposes of receiving funds under this NOFA, the definition of Application Acceptance Period in the QAP shall be the date that the Application is submitted. For the purposes of receiving funds under this NOFA, the following subsections of 10 TAC §49.9(h) are not required:

i) §49.9(h)(4)(J) regarding General Contractor requirements for tax credit Applications;
ii) §49.9(h)(11) regarding nonprofit set-aside requirements for tax credit Applications;
iii) §49.9(h)(12) regarding acquisition tax credits;
iv) §49.9(h)(14)(G) regarding third-party report deadlines for tax credit Applications; and
v) §49.9(h)(15) regarding self scoring for competitive cycle tax credit Applications.

b) **Unit Restrictions.** Housing units subsidized by HOME funds must be affordable to low, very-low or extremely low-income persons. Mixed Income rental developments may only receive funds for units that meet the HOME program affordability standards. Additionally, each Application must meet the following requirements:

i) All Applications intended to serve persons with disabilities must adhere to the Department’s Integrated Housing Rule at 10 TAC §1.15.
ii) To encourage the inclusion of families and individuals with the highest need for affordable housing, Applicants must target a minimum of 5% of the total units for individuals or families earning 30% or less of area medium income for the development site. Additionally, 20% of the total units proposed must be HOME units. Developments with existing and continuing USDA 515 program loans and rental assistance or project-based Section 8 are exempt from these minimum target requirements.
iii) All units targeting Extremely Low Income households at 30% or 40% of area median income must also restrict rents at comparable levels using the Housing Tax Credit program rents

calculated annually by the Department and available on the Department's website (www.tdhca.state.tx.us). These additional restrictions will limit the tenant paid portion of the rent and any applicable utility allowance but will not limit the amount of any rental assistance unless required by Federal law.

iv) Applications requesting funds under the Persons with Disabilities Set-Aside are exempt from §(9)(b)(ii) of this NOFA, but must restrict 5% of the HOME units set-aside for persons with disabilities at 30% of AMI and 100% of the HOME units set aside for persons with disabilities at 50% of AMI.

c) **Loan Terms.** All project funds awarded to eligible Applications under this NOFA will be structured as a loan(s), will be supported by documents required by 10 TAC §53.80, and will meet the following requirements at the time of Application and as underwritten:

i) The interest rate may be as low as 0% and may be adjusted by the Real Estate Analysis division in accordance with 10 TAC §1.32(d)(4);

ii) The Loan term will be no less than fifteen (15) years and no greater than forty (40) years and the amortization period will be no less than twenty (20) years and no greater than forty (40) years;

iii) The Loan(s) will be structured with a regular payment due monthly based on the amortization period. Loan(s) will not be structured with contingent payments except as allowable for Applications meeting §(2)(c)(vi) of this NOFA or for Applications with first lien debt that is insured by HUD or the Federal Housing Administration (FHA) or for Applications with other lenders with which the Department has a Memorandum of Agreement permitting such contingent payment debt structures. All contingent payment loans must also meet the minimum debt coverage ratio requirements in the Real Estate Analysis Rules and Guidelines described in 10 TAC §1.32, including being underwritten at a minimum DCR of 1.15 inclusive of the funds requested under this NOFA;

iv) The lien position of the Department's loan(s) shall generally be based on the amount of the Department's loan(s) in relation to the other sources of debt. However, the Department may require a superior position to sources that are greater than the Department's funds if the lender is a related party to any member of the development team or if the other source of debt is structured with a contingent payment or without any regular payment;

v) The Department's loan(s) must close within six (6) months of execution of the contract and each loan shall be structured with an eighteen (18) month development period. An extension to these timeframes may be requested as allowed in 10 TAC §53.74; and

vi) If the Applicant elects to restrict 10% of all units for households at or below 30% of AMFI and at least 50% of all units for households at or below 50% of AMFI, and those units are not designated to serve very or extremely low-income households through another subsidy source with the exception of developments with existing and continuing USDA 515 program loans and rental assistance or project-based Section 8, the Department may allow up to 50% of the total HOME award to be structured as a deferred forgivable loan with a term equal to the affordability period. Developments layered with Housing Tax Credits are not eligible for this optional election unless the funds are deducted from eligible basis. Applications must still meet the requirements of the Real Estate Analysis (REA) Rules and Guidelines in 10 TAC §1.32.

d) **Leveraging of Other Public or Private Resources.** To encourage the involvement of other public agencies and private entities in affordable housing, Applicants must provide a minimum percentage of the total development costs in loans, in-kind contributions, or grants from third-party public or private entities. The maximum award may not exceed 90% of the Total Development Costs ("TDC") unless a resolution of support for the development is made by the local unit of government in which the proposed development resides and/or the proposed

development is located in an area where the HUD Fair Market Rents are equal to the respective HOME Rent Limit for a one-bedroom unit but will be limited per Table 3, as follows:

Table 3. Maximum HOME Award as a Percentage of Total Development Cost ("TDC")

Rent	Resolution from Local Government	Max award as % of TDC	% of TDC from other sources
FMR greater than High Home	No	90%	10%
FMR greater than High Home	Yes	92%	8%
FMR equal to High Home	No	93%	7%
FMR equal to High Home	Yes	95%	5%
FMR equal to Low Home	No	96%	4%
FMR equal to Low Home	Yes	98%	2%

The remaining percentage of total development cost must be in the form of permanent loans with a maturity of at least twenty (20) years, in-kind contributions or grants from third-party private or public entities. Developments with USDA or other government-sponsored loans that will remain as permanent financing may be used to satisfy this requirement from a public or private entity. Loans or grants from the Department will not satisfy this requirement. The Department's underwriting guidelines in 10 TAC §1.32 will be used which set as a feasibility criterion a 1.15 debt coverage ratio minimum and 1.35 maximum.

e) **Funding Limits.** In addition to the limits per Application described in §§(2)(a)(ii) and (2)(b) of this NOFA, Applicant awards will be limited as follows:
   i) The Department will determine the maximum amount of HOME funds or minimum number of HOME units by pro-rating the total HOME eligible development costs of the project in accordance with 24 CFR 92.205(d). The total HOME funds as a percentage of total HOME eligible development costs may not exceed the total HOME restricted units as a percentage of the total units (For example: [total HOME funds / total HOME eligible cost] may not exceed [total HOME units / total units]). Applicants are encouraged to review "HOME eligible costs" in the HOME Final Rule, 24 CFR §§92.205 and 92.206;
   ii) The total HOME funding may not exceed the per-unit dollar limitations established under section 221(d)(3) of the National Housing Act (12 U.S.C. 17151(d)(3)), which are applicable to the area in which the development is located, and as published by HUD; and
   iii) Funds awarded under this NOFA shall meet all other subsidy and funding limits required in the HOME Rule at 24 CFR Part 92.

f) **Financial Capacity.** If the Department's loan(s) amount to more than 50% of the total development cost, except for developments also financed through the USDA-515 program, the Application will include:
   i) A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
   ii) A letter from the developer's or owner's bank(s) confirming funds amounting to 10% of the total development cost are available; or
   iii) Evidence of a line of credit or equivalent tool equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities.

g) **Affirmative Marketing.** Documentation of compliance with the Affirmative Marketing requirements in the Fair Housing Act and the Department's Compliance Rules at 10 TAC §60.112(d). Applicants will be required to use HUD form 935.2a to meet these requirements.

h) **Site and Neighborhood.** For Applications proposing new construction, documentation sufficient to meet the Site and Neighborhood Standards required in 24 CFR §92.202 and as required in the Final Application and Submission Procedures Manual (ASPM).

i) **Application Certifications.** All Applicants will be required to certify to compliance with the following:
   i) Davis-Bacon Act (24 CFR §92.354);
   ii) Environmental standards (24 CFR Parts 50 & 58);
   iii) Uniform Relocation Act (49 CFR Part 24); and
   iv) Lead Safe Housing Rule (24 CFR Part 35).
   v) Other certifications may be required as specifically stated in the ASPM current at the time of Application.
   vi) Audit Certification. An Applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of Application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the Application deadline for funds or other assistance per 10 TAC §1.3(b).
   vii) In accordance with 10 TAC §53.44(c), all entities receiving funds of $25,000 or more must be registered in the federal Central Contractor Registration (CCR) and have a current Data Universal Numbering System (DUNS) number.

j) **CHDO Certification.** Requirements under this subsection must only be met for Applications considered for an award of funds from the CHDO Set-Aside. CHDO Certification will be awarded in accordance with the rules and procedures as set forth by 10 TAC §53.50, Community Housing Development Organization (CHDO) Certification. CHDO Certification Applications must meet the requirements of 10 TAC §53.50 at the time of Application submission. Additionally, the following apply:
   i) CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development and management of the property, pursuant to 24 CFR §92.300;
   ii) A separate Application process is required for CHDO Certification and to meet the CHDO set-aside requirements. Review and approval of the CHDO Certification occurs during the threshold review process, however Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board; and
   iii) A new Application for CHDO certification must be submitted to the Department with each new Application for HOME Development funds under the CHDO set aside. The CHDO Application package will be available with all other Application materials on the Department's website.

10) Review Process

a) Pursuant to 10 TAC §53.48, each Application will be handled on a first-come, first-served basis as further described in this section. Each Application will be assigned a Received Date based on the date and time it is physically received by the Division. Then each Application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their Received Date unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over Applications that may have an earlier Received Date but that did not timely complete a

phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

i) Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and ASPM and will issue a notice of any Administrative Deficiencies for threshold criteria and eligibility within forty-five (45) days of the Received Date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds.

ii) Phase Two will include a comprehensive review for financial feasibility. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with 10 TAC §1.32. REA will create an underwriting report identifying staff's recommended Loan terms, the Loan amount and any conditions to be placed on the Development. The Department will issue a notice of any Administrative Deficiencies within forty-five (45) days of the date the Application enters Phase Two. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Three, if applicable. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not require additional review in Phase Three will be considered for placement on the next available Board meeting agenda.

iii) Phase Three will only entail the review of the CHDO Certification Application, if applicable. The Department will ensure review of these materials and issue notice of any Administrative Deficiencies on the CHDO Certification Application within thirty (30) days of the Application enters Phase Three. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into the final review phase of the Application process. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds or must elect to withdraw from the CHDO Set-Aside and withdraw the CHDO Certification Application. Only upon satisfaction of all Administrative Deficiencies will the Application be forwarded to the final phase of the Application process. Upon completion of the applicable final review phase, the Application will be considered for placement on the next available Board meeting agenda.

b) Because Applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an Application has completed all phases of its review. In the case that all HOME funds are committed before an Application has completed all phases of the review process, the Department will notify the Applicant that their Application will remain active for ninety (90) days in its current phase. If new HOME funds become available, Applications will continue onward with their review without losing their Received Date priority. If HOME funds do not become available within ninety (90) days of the notification, the Applicant will be notified that their Application is no longer under consideration. The Applicant must reapply to be considered for future funding. If on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

c) Pursuant to the QAP and 10 TAC §53.42, if a submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, the

Application will be terminated with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was unable to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.

d) A site visit may be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.

e) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.

f) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, it is the Department's policy to encourage the use of appropriate Alternative Dispute Resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009 of the Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC §1.17.

g) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

11) Administration.

a) All Applicants receiving an award under this NOFA will be required to enter into a contract with the Department and will be subject to the contract requirements in 10 TAC Chapter 53; Subchapters F and G. Additionally, Applicants are encouraged to review the Department's Rental Housing Development Manual for guidance on administration of rental housing development awards and contracts (www.tdhca.state.tx.us/home-division/manuals-rules.htm).

b) When Department funds have a first lien position and funds are used for new construction and/or rehabilitation, assurance of completion of the development in the form of payment and performance bonds in the full amount of the construction contract will be required or equivalent guarantee in the sole determination of the Department. Such assurance of completion will run to the Department as obligee and must be documented prior to closing. Applications also utilizing the USDA 515 program are exempt from this requirement but must meet the alternative requirements set forth by USDA.

12) Tie Breaker Factors. In the event that two or more Applications receive the same priority based upon the provisions of §10 of this NOFA in any given Set-Aside category and are both practicable and economically feasible, the Department will utilize the factors in this section, in the order they are presented, to determine which Development will receive a preference in consideration for an awarded of funds.

a) Applications involving any Rehabilitation or Reconstruction of existing Units will win this first tier tie breaker over Applications involving solely New Construction or Adaptive Reuse.

b) The Application with the least amount of HOME funds per HOME restricted unit will win this second tier tie breaker.

13) Application Submission

a) All Applications submitted under this NOFA must be received on or before **5:00 p.m. on April 30, 2010.** The Department will accept Applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Cameron Dorsey at 512-475-2669 or via e-mail at cameron.dorsey@tdhca.state.tx.us.

b) If an Application is submitted to the Department that requests funds from two separate housing finance programs, the Application will be handled in accordance with the guidelines for each housing program. The Applicant is responsible for adhering to the deadlines and requirements of both programs.

c) All Applications must be submitted, and provide all documentation, as described in this NOFA and associated Application materials.

d) Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the Application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the Final ASPM in effect at the time the Application is submitted.

e) The Application consists of several parts as described in the Final ASPM. A complete Application for each proposed development must be submitted in an electronic PDF format on a recordable compact disc (CD-R). Incomplete Applications or improperly compiled Applications will not be accepted. Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the Application is submitted.

f) Third Party Reports. If all applicable third party reports are not received at the time of Application submission, the Application will be terminated.

g) If a development has an existing Housing Tax Credit allocation or HOME contract with the Department and construction on the development has not begun, an abbreviated Application for a HOME award or for an increase in the existing HOME award can be submitted under this NOFA. If additional funds are sought, such an Application may also request that the terms for the additional HOME funds also apply for the funds in an existing HOME Contract. The entire amount of HOME funds received from the Department may not exceed the maximum award per development as reflected in this NOFA for the respective set-aside. An Application qualifying for the abbreviated Application process may be considered by staff to have already met the threshold

requirements in §§(8) and (9)(a) of this NOFA without additional review unless staff determines additional documentation is required in accordance with §(13)(h) of this NOFA.

h) The requirements of the abbreviated Application will be reflected in the Application Submission Procedures Manuel (ASPM). In addition to the Application requirements in the ASPM, staff may use discretion to determine if additional information that is typically required in the full Application (including third party reports) is necessary or prudent in order to review for compliance with state or federal rules or due to changes in the market since last reviewed by the Department. Full Application and an amendment may be required for any Application that includes changes to the previous Board approved Application beyond those that are directly related to the development costs, financing structure or additional HOME program related requirements or that affect an existing allocation of Housing Tax Credits.

i) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

j) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $500.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. An Application fee is not required for Applications submitted pursuant to §(13)(g) of this NOFA and that have an existing HOME Contract with the Department. The Application fee is not a reimbursable cost under the HOME Program.

k) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
221 East 11th Street
Austin, TX 78701-2410

or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
Post Office Box 13941
Austin, TX 78711-3941

NOTE: *This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME Rental Housing Development Program. For proper completion of the Application, the Department strongly encourages potential Applicants to review all applicable State and Federal regulations.*

Texas Department of Housing and Community Affairs
HOME Investment Partnerships Program (HOME)

2009 Single Family
Owner-Occupied Housing Assistance,
Tenant-Based Rental Assistance, and Homebuyer Assistance Programs
Notice of Funding Availability (NOFA)

1) Summary.

a) The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $25,923,970 in funding from the HOME Investment Partnerships Program (HOME) funds for single family housing programs, including Owner-Occupied Housing (OCC), Homebuyer (HBA), and Tenant-Based Rental (TBRA) Assistance, to assist low-income Texans. As published in the 2009 State of Texas Consolidated Plan One-Year Action Plan, $18,146,779 is available for the OCC Program, $3,888,595 is available for the HBA Program, and $3,888,595 is available for the TBRA Program.

b) The availability and use of these funds is subject to the Department's HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR §92), and Chapter 2306 of the Texas Government Code. Other federal regulations apply, including but not limited to:
   i) 24 CFR §50 and §58 (Environmental Requirements);
   ii) 24 CFR §85.36 and §84.42 (Conflict of Interest Regulations); and
   iii) 24 CFR §5(A) (Federal Fair Housing Regulations).

2) Source of Funds. These funds are made available through the Department's 2009 annual HOME allocation from the U.S. Department of Housing and Urban Development (HUD). Additionally, uncommitted and deobligated HOME funds from prior years and HOME program income may be used. These funds are set-aside for eligible applicants proposing to provide assistance to eligible homeowners in need of rehabilitation or reconstruction of their primary residence, homebuyers for the acquisition (including downpayment and closing costs) of a home, and households seeking tenant-based rental assistance. Households assisted with HOME funds must be at or below 80% of the Area Median Family Income (AMFI) as defined by HUD, and meet all program eligibility requirements

3) Allocation of Funds.

a) In accordance with §2306.111 of the Texas Government Code, housing funds awarded in the HOME Program must be allocated utilizing the Regional Allocation Formula (RAF) developed by the Department. Funds are allocated for each Program Activity to each Uniform State Service Region and rural and urban area types.

b) Requirements of the Regional Allocation Formula and 10 TAC §53.48(a) prioritize funding recommendations. Applicants may apply for the maximum allowed in each activity even though the amount of available funds utilizing the RAF may be less. However, only the maximum set-aside based on §§(4)(a) and (4)(b) of this NOFA will be recommended for award during applicable period.

4) Application Cycle.

a) In accordance with 10 TAC §53.48(a), this NOFA will be administered using an open application cycle. Funds will be available utilizing the RAF for each specified activity on a first-come, first-served basis. Applications will be accepted by the Department on an on-going basis utilizing the funds allocated by the RAF until 5:00 p.m. Monday, August 31, 2009, regardless of method of delivery.

b) On Tuesday, September 1, 2009, any funds which have not been requested in an application per §(4)(a) of this NOFA will collapse and be made available statewide (excluding PJs). However, funds will remain set-aside within each HOME Program Activity. Applications submitted under this subsection will be accepted by the Department on an on-going basis until 5:00 p.m. Monday, November 30, 2009, regardless of method of delivery.

c) On Tuesday, December 1, 2009, any funds not requested under §§(4)(a) or (b) of this NOFA will be made available statewide (excluding PJs) for any eligible HOME Program Activity eligible under this NOFA. Applications will be accepted by the Department on an on-going basis until 5:00 p.m. Thursday, April 30, 2010, regardless of method of delivery.

d) Should funds made available under this NOFA become, at any time, oversubscribed or all funds be awarded; the Department may choose to close the NOFA in accordance to 10 TAC §53.48(a)(1).

5) Rider 5 Provision. Applicants awarded funds may use the state average median family income, adjusted for income level and household size, to determine income eligibility, and form of assistance, in accordance with 10 TAC 53.31(j), for eligible households living in those counties where the area median family income is lower than the state average median family income. This option is in accordance with the Housing Assistance Rider of the Department's Legislative Appropriation.

6) Limitation on Funds.

a) HOME funds will not be eligible for use in a Participating Jurisdiction (PJ). Any HOME funds available for serving households in a PJ will only be made available under a separate NOFA for Persons with Disabilities as described in the 2009 State of Texas Consolidated Plan One-Year Action Plan.

b) The Department awards HOME funds to eligible entities and the maximum award amount may not exceed the amount as stated in the NOFA. The award amount for administrative costs shall not exceed the amount allowed per 10 TAC §53.85. Administrator must use funds for Administrative costs in accordance with 24 CFR §92.207.

c) In accordance with 24 CFR §53.72, the Contract Administrator may incur and be reimbursed for travel costs prior to the effective date of the HOME Contract, as provided for with Administrative funds, related to mandatory implementation training required by the Department as a condition of receiving a HOME award and Contract.

d) An Applicant may submit an Application to apply for additional funding under the same NOFA only if the Applicant is 100% committed any current contract for the same activity.

e) With the exception of Tenant-Based Rental Assistance, the minimum HOME assistance amount per unit may not be less than $1,000 per HOME assisted unit. The per-unit subsidy may not exceed limits established under §221(d)(3) of the National Housing Act, which are applicable to the area in which the housing is located and as published by HUD. The purchase price of the housing unit plus the value of the rehabilitation or reconstruction, if applicable, must not exceed 95% of the Single Family Mortgage Limits under Section 203(b) of the National Housing Act.

7) Eligible and Ineligible Applicants.

a) Eligible Applicants are Units of General Local Government, Nonprofit Organizations, Public Housing Authorities (PHAs), and for-profit entities.

b) If an Applicant that is a nonprofit organization is requesting a waiver of the grant application fee, they must do so in the resolution, and must state that the nonprofit organization offers expanded services such as child care, nutrition programs, job training assistance, health services, or human services.

c) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 of the Department's HOME Program Rule. Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

8) Matching Funds. Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in the application and in accordance with the federal HOME rules at 24 CFR §92.218 and the Department's Match Guide. Applicants will be provided with the appropriate forms and instructions on how to report eligible match. Specific Match requirements are defined under §§(10), (11), or (12) of this NOFA as applicable

9) Eligible and Prohibited Activities.

a) Eligible activities include those permissible under the federal HOME Final Rule at 24 CFR §92.205 and at 10 TAC §53.31 for OCC, §53.32 for HBA, and §53.33 for TBRA.

b) Prohibited activities include those at 24 CFR §92.214 and 10 TAC §53.37.

10) Owner-Occupied Housing Assistance (OCC). A total of $18,146,779 in funding released under this NOFA may be used to administer an Owner-Occupied Housing Assistance Program to provide eligible households with loans for the rehabilitation or reconstruction of existing owner-occupied housing earning 80% or less of the Area Median Family Income (AMFI) as defined by HUD. As defined in 10 TAC §53.31(d)(1), the home must be the principal residence of the homeowner. Funds requested and awarded under this section are subject to the following requirements:

a) Maximum Award. In accordance with 10 TAC §53.47(a)(1), the maximum award amount for OCC shall not exceed $450,000, including administrative costs, per Application. In accordance with 10 TAC §53.85, up to 4% of the total project costs may be requested for administrative costs for the entire contract term.

b) Regional Allocation. Funds requested and awarded under §(10) and submitted in accordance with §(4)(a) of this NOFA are subject to the Regional Allocation as shown in Table 1 as follows.

Table 1. OCC Regional, Rural, and Urban Funding Amounts

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$974,149	5.4%	$973,931	100.0%	$218	0.0%
2	Abilene	$664,150	3.7%	$645,587	97.2%	$18,563	2.8%
3	Dallas/Fort Worth	$3,555,944	19.6%	$1,032,213	29.0%	$2,523,731	71.0%
4	Tyler	$2,027,491	11.2%	$1,723,173	85.0%	$304,318	15.0%
5	Beaumont	$916,230	5.0%	$838,750	91.5%	$77,480	8.5%
6	Houston	$1,339,096	7.4%	$473,920	35.4%	$865,177	64.6%
7	Austin/Round Rock	$948,113	5.2%	$390,371	41.2%	$557,742	58.8%
8	Waco	$577,971	3.2%	$410,006	70.9%	$167,964	29.1%
9	San Antonio	$916,624	5.1%	$599,901	65.4%	$316,722	34.6%
10	Corpus Christi	$1,227,434	6.8%	$865,622	70.5%	$361,812	29.5%
11	Brownsville/Harlingen	$3,603,250	19.9%	$2,025,597	56.2%	$1,577,654	43.8%
12	San Angelo	$798,568	4.4%	$343,894	43.1%	$454,673	56.9%
13	El Paso	$597,760	3.3%	$436,391	73.0%	$161,369	27.0%
Total		$18,146,779	100.0%	$10,759,356	59.3%	$7,387,423	40.7%

c) Form of Assistance.

i) Assistance will be provided to an eligible household in the form of a zero percent interest, deferred forgivable or repayable loan and in accordance with 10 TAC §53.31;

ii) The maximum amount of assistance is the total of construction costs and soft costs provided to an eligible household. The total construction costs are limited as follows:

(1) For Rehabilitation that is Reconstruction. The lesser of $73.00 per square foot or $80,000, if the Reconstruction includes actual costs for an aerobic septic system and/or demolition. If the Reconstruction includes costs for an aerobic septic system and/or demolition, the total construction costs cannot exceed $73.00 per square foot exclusive of the aerobic septic system and demolition costs; and

(2) For Rehabilitation that is not Reconstruction - $30,000.

iii) The maximum amount eligible for project soft costs is defined in 10 TAC §53.85;

iv) All loans to assisted homeowners must be evidenced by loan documents provided by the Department. Each loan to an assisted homeowner for rehabilitation must be payable to the Department. Each loan for reconstruction or rehabilitation shall be evidenced by a construction loan agreement, note, deed of trust, mechanic's lien note, and mechanic's lien contract secured by the property and must be fully executed before any construction activities commence;

v) If at any time prior to the full loan period there occurs a resale of the property, a refinance of any superior lien, or if the unit ceases to be the assisted Household's principal residence, the remaining loan balance shall become due and payable; and

vi) If applicable, forgiveness of the loan balance is calculated based on a pro-rata annual share of the loan term. The anniversary date of the loan shall constitute completion of the year. Any partial year shall not be waived. The amount due will be based on the pro-rata share number of years of the remaining loan term.

d) Affordability Requirements. Households assisted under the OCC Program must comply with the affordability requirements defined in 10 TAC §53.31(j)-(m) and 24 CFR §92.254, as applicable.

e) Site and Construction Restrictions.
   i) Pursuant to 24 CFR §92.251 Housing that is rehabilitated or constructed with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.
   ii) If a home is reconstructed, the applicant must ensure compliance with the universal design features in new construction, established by §2306.514 of the Texas Government Code, required for any applicant utilizing federal or state funds administered by TDHCA in the construction of single family homes. In the absence of a local code, HOME-assisted new construction or rehabilitation must meet the International Residential Code, Texas Minimum Construction Standards (TMCS) and be in compliance with the basic access standards in new construction, established by §2306.514 of the Texas Government Code.
   iii) Housing that is rehabilitated with funds awarded under this NOFA must meet all applicable energy efficiency standards established by §2306.187 of the Texas Government Code, and International Energy Conservation Code for energy standards as verified by RESCHECK [tm] .

f) Contract Term. Per 10 TAC §53.73(a)(1), the contract term for OCC Program Activity shall not exceed twenty-four (24) months and performance under the contract will be evaluated according to the following benchmarks:
   i) Six (6) months, exempt administrative and broad review environmental clearance must be complete, and if not tiering, the first Household to be assisted must be environmentally cleared;

ii) Eight (8) months, Authority to Use Grant Funds must be fully executed and all Households to be assisted must be environmentally cleared;
iii) Twelve (12) months, 100% of funds must be committed to Households to be assisted;
iv) Eighteen (18) months, 100% of Household's Loans must be closed, if applicable;
v) Twenty-two (22) months, 100% of construction must be complete for all Households to be assisted; and
vi) Twenty-four (24) months, 100% funds drawn and 100% of match requirement supplied.

g) Application Threshold Requirements. Threshold criteria under this subsection and §(10) (h) of this NOFA are mandatory requirements at the time of application submission, unless specifically indicated otherwise, and will be included in the written agreement if funds are awarded.

i) **Cash Reserve**. Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Applicants must evidence the ability to administer the program and commit cash reserves of at least $120,000 to facilitate administration of the program during the Department's disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this commitment and the amount of the commitment must be included in the Applicant's resolution and budget. Applicants must submit:
(I) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
(II) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or
(III) Evidence of an available line of credit or equivalent of at least $120,000.

ii) **Resolution**. All applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date from the Applicant's direct governing body which includes:
(I) Authorization of the submission of the Application;
(II) Commitment and amount of cash reserves for use during the contract period;
(III) Source of funds for match obligation and match dollar amount;
(IV) Name and title of the person authorized to represent the organization; and
(V) Signature authority to execute a contract.

iii) **Description of Demand**. All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area which includes:
(I) Third Party source data (i.e. Census data);
(II) Calculations (i.e. amounts to be spent/contributed locally per project); and
(III) Assumptions.

iv) **Match.** The Department will recognize eligible forms of matching contributions made from nonfederal resources, per 24 CFR §92.218. Table 2 will be used to determine the amount of match required to meet threshold, as follows:

Table 2. OCC Housing Program Required Community Match Contribution

City Population	County Population	Required Match % of Project Funds Requested
< 3000	<20,000	5%
3000-5000	20,000-75,000	10%
> 5000	>75,000	12.5%

h) **Threshold Score**. In addition to the threshold requirements under §(10)(g) of this NOFA, the application must meet the **minimum threshold score of 15**. This score is tallied using points from the following categories:

i) **Affordable Housing Needs Score**. Points range from zero to seven as published by the Department. Maximum 7 points;

ii) **Additional Eligible Match**. In addition to the threshold match requirement in § (10)(g)(iv) of this NOFA, the Applicant can receive points for each percentage of additional match. Table 3 will be used to determine points awarded under this paragraph, as follows:

Table 3. OCC Housing Program Additional Community Match Contributions

City Population	County Population	Point Calculation
< 3000	< 20,000	10 points for each additional percentage of match
3,000 – 5,000	20,000 – 75,000	7 points for each additional percentage of match
> 5,000	> 75,000	5 points for each additional percentage of match

iii) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low-income families, the Department incentivizes application points for income targeting of households assisted. Maximum 20 points. Table 4 will be used to determine income targeting requirements and associated points, as follows:

Table 4. OCC Point Incentives for Income Targeting

Income Target	Points
5% to 29.99 % of units at 60% AMFI	1
30% to 59.99 % of units at 60% AMFI	3
60% to 100 % of units at 60% AMFI	5
5% to 29.99% of units at 30% AMFI	+6
30% to 59.99% of units at 30% AMFI	+11
60% to 100% of units at 30% AMFI	+15

11) Homebuyer Assistance (HBA). Approximately $3,888,595 of HOME Funds released under this NOFA shall be used to administer a Homebuyer Assistance Program, providing downpayment and closing cost assistance (including soft costs) to eligible first time homebuyers earning 80% or less of the Area Median Family Income (AMFI) as defined by HUD for the acquisition of affordable single family housing.

a) Maximum Award. In accordance with 10 TAC §53.47(a)(1), the award amount for HBA shall not exceed $312,000, including administrative costs, per Application. However; up to $520,000, including administrative costs, may be awarded to HBA Applicants whose Service Area includes multiple counties within a Uniform State Service Region. In accordance with 10 TAC §53.85(a)(1), for the HBA Program Activities, funds for Administrative costs cannot exceed 4% of the total project costs for the entire Contract term.

b) Allocation Formula. Funds requested and awarded under §(11) of this NOFA and submitted in accordance with §(4)(a) of this NOFA are subject to the following Regional Allocation as shown in Table 5:

Table 5. HBA Regional, Rural, and Urban Funding Amounts

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$208,746	5.4%	$208,699	100.0%	$47	0.0%
2	Abilene	$142,318	3.7%	$138,340	97.2%	$3,978	2.8%
3	Dallas/Fort Worth	$761,988	19.6%	$221,188	29.0%	$540,799	71.0%
4	Tyler	$434,462	11.2%	$369,251	85.0%	$65,211	15.0%
5	Beaumont	$196,335	5.0%	$179,732	91.5%	$16,603	8.5%
6	Houston	$286,949	7.4%	$101,554	35.4%	$185,395	64.6%
7	Austin/Round Rock	$203,167	5.2%	$83,651	41.2%	$119,516	58.8%
8	Waco	$123,851	3.2%	$87,858	70.9%	$35,992	29.1%
9	San Antonio	$196,419	5.1%	$128,550	65.4%	$67,869	34.6%
10	Corpus Christi	$263,022	6.8%	$185,490	70.5%	$77,531	29.5%
11	Brownsville/Harlingen	$772,125	19.9%	$434,056	56.2%	$338,069	43.8%
12	San Angelo	$171,122	4.4%	$73,692	43.1%	$97,430	56.9%
13	El Paso	$128,091	3.3%	$93,512	73.0%	$34,579	27.0%
	Total	$3,888,595	100.0%	$2,305,576	59.3%	$1,583,019	40.7%

c) Form of Assistance.
   i) In accordance with §53.32(e), the maximum amount of assistance is the total of the downpayment and closing cost assistance and soft costs provided to an eligible household. The total amount of downpayment and closing cost assistance is limited to $20,000 per eligible homebuyer.
   ii) In accordance with 10 TAC §53.32(m), the first lien mortgage must meet the following requirements:
      (1) No adjustable rate mortgage loans (ARMs) or interest rate buy-down loans are allowed;
      (2) No mortgages with a loan to value equal to or greater than 100% are allowed;
      (3) Must not be a subprime mortgage loan as defined in 10 TAC §53.2(92);
      (4) An origination fee and any other fees associated with the mortgage loan may not exceed 2% of the loan amount; and
      (5) The debt to income ratio (back-end ratio) may not exceed 45%.
   iii) HBA assistance will be structured as follows:
      (1) 0% interest rate;
      (2) five (5) or ten (10) year term contingent upon the total amount of assistance and in accordance with the federal affordability requirements at 24 CFR §92.254(a)(4);

(3) 2nd or 3rd lien; and
(4) Deferred forgivable loan per §(11)(c)(iv) of this NOFA.

iv) Any forgiveness of the loan occurs upon the anniversary date of the Household's continuous occupancy as its principal residence and continues on an annual pro-rata basis until maturity of the loan. In the event that the housing unit ceases to be the principal residence of the household, the forgiveness of the loan, if applicable, will cease. In the event that the housing unit ceases to be the principal residence of the household, the department has established that the federal recapture requirements defined in 24 CFR §92.254 will be imposed.

d) Period of Affordability. The federal affordability requirements as defined in 24 CFR §92.254 will be imposed for all activities involving acquisition.

e) Property Standards. HOME-assisted housing under the HBA Program must meet all applicable State and local housing quality standards and code requirements. In the absence of such standards or code requirements, the housing must meet the Housing Quality Standards (HQS) in 24 CFR §982.401.

f) Contract Terms. In accordance with 10 TAC §53.73(a)(2), the contract term for the HBA Program Activity shall not exceed twenty-four (24) months and performance under the contract will be evaluated according to the following benchmarks:
   i) Six (6) months, exempt administrative and environmental clearance must be complete for at least one Household to be assisted;
   ii) Twelve (12) months, environmental clearance must be complete for at least 50% of the Households to be assisted, 50% of funds must be committed, 25% of funds drawn, and 25% of match supplied;
   iii) Eighteen (18) months, environmental clearance must be complete for at least 75% of the Households to be assisted, 75% of funds must be committed, 50% of funds drawn, and 50% of match requirement supplied; and
   iv) Twenty-four (24) months, 100% of funds must be committed, 100% of funds drawn, and 100% of matched supplied.

g) **Application Threshold Requirements**. The following threshold criteria listed in this subsection and in subsection (h) are mandatory requirements at the time of application submission, unless specifically indicated otherwise, and will be included in the written agreement if funds are awarded.
   i) **Cash Reserve**. Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Applicants must evidence the ability to administer the program and commit cash reserves of at least $80,000 to facilitate administration of the program during the Department's disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Evidence of this commitment and the amount of the commitment must be included in the Applicant's resolution and budget. Applicants must submit:
      (1) Financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
      (2) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(3) Evidence of an available line of credit or equivalent of at least $80,000.

ii) **Resolution**. All applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date from the Applicant's direct governing body which includes:
(1) Authorization of the submission of the Application;
(2) Commitment and amount of cash reserves for use during the contract period; source of funds for match obligation and match dollar amount;
(3) Name and title of the person authorized to represent the organization; and
(4) Signature authority to execute a contract.

iii) **Description of Demand**. All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area which includes:
(1) Third Party source data (i.e. Census data);
(2) Calculations (i.e. amounts to be spent/contributed locally per project); and
(3) Assumptions.

iv) **Match**. Per 24 CFR §92.218, the Department will recognize eligible forms of matching contributions made from nonfederal resources. Match must equal at least 5% of the total project cost requested.

v) **Homebuyer Counseling**. Applicants must evidence that a minimum of eight (8) hours of homebuyer counseling to all eligible participants will be provided by a certified homebuyer counselor. This evidence must include:
(1) Documentation describing the level of homebuyer counseling proposed, including post purchase counseling;
(2) Applicant must state who will provide the homebuyer counseling;
(3) A copy of the curriculum; and
(4) A copy of the proposed written agreement with the service provider (if the applicant is not providing the service).

h) **Threshold Score**. In addition to the threshold requirements under §(11)(g) of this NOFA, the application must meet the **minimum threshold score of 10**. This score is tallied using points from the following categories:
i) **Affordable Housing Needs Score**. Points range from zero to seven, as published by the Department. (Maximum 7 points);
ii) **Additional Match**. Each full percentage point beyond the required 5% of total project cost that is contributed in eligible local match will result in an additional 5 points. (Maximum 10 points); and
iii) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for income targeting of households assisted. Table 6 will be used to determine income targeting requirements and associated points, as follows: (Maximum 10 points).

Table 6. HBA Point Incentives for Income Targeting

Income Target	Points
5% to 29.99% of units at 60% AMFI	3
30% to 59.99% of units at 60% AMFI	7
60% to 100% of units at 60% AMFI	10

12) Tenant-Based Rental Assistance (TBRA). Approximately $3,888,595 of HOME funds released under this NOFA shall be used to administer a Tenant-Based Rental Assistance Program to provide eligible households rental subsidies, including security and utility deposits, to tenants earning 80% or less of the Area Median Family Income (AMFI) as defined by HUD. In accordance with 24 CFR §92.216, not less than 90% of the households assisted with respect to TBRA or rental units, must have incomes at or below 60% of the AMFI, as defined by HUD. Funds requested and awarded under this section must meet the requirements of this section.

a) Maximum Award. In accordance with 10 TAC §53.47(a)(1) the maximum award amount for TBRA shall not exceed $336,000, including administrative costs, per Application. In accordance with §53.85(a)(1), for the TBRA program activity, funds for administrative costs cannot exceed 4% of the total project funds per year of the Contract term.

b) Allocation Formula. Funds requested and awarded under §(12) and submitted in accordance with §(4)(a) of this NOFA are subject to the Regional Allocation as shown in Table 7.

Table 7. HBA Regional, Rural, and Urban Funding Amounts

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$208,746	5.4%	$208,699	100.0%	$47	0.0%
2	Abilene	$142,318	3.7%	$138,340	97.2%	$3,978	2.8%
3	Dallas/Fort Worth	$761,988	19.6%	$221,188	29.0%	$540,799	71.0%
4	Tyler	$434,462	11.2%	$369,251	85.0%	$65,211	15.0%
5	Beaumont	$196,335	5.0%	$179,732	91.5%	$16,603	8.5%
6	Houston	$286,949	7.4%	$101,554	35.4%	$185,395	64.6%
7	Austin/Round Rock	$203,167	5.2%	$83,651	41.2%	$119,516	58.8%
8	Waco	$123,851	3.2%	$87,858	70.9%	$35,992	29.1%
9	San Antonio	$196,419	5.1%	$128,550	65.4%	$67,869	34.6%
10	Corpus Christi	$263,022	6.8%	$185,490	70.5%	$77,531	29.5%
11	Brownsville/Harlingen	$772,125	19.9%	$434,056	56.2%	$338,069	43.8%
12	San Angelo	$171,122	4.4%	$73,692	43.1%	$97,430	56.9%
13	El Paso	$128,091	3.3%	$93,512	73.0%	$34,579	27.0%
	Total	$3,888,595	100.0%	$2,305,576	59.3%	$1,583,019	40.7%

c) Form of Assistance.
   i) Through the TBRA program, rental subsidy and security and utility deposit assistance is provided to tenants as a grant, in accordance with written tenant selection policies, for a period not to exceed twenty-four (24) months, which shall include among its objectives the securing of a permanent source of affordable housing on or before the expiration of the rental subsidy. Security deposits and utility deposits may be provided in conjunction with rental assistance. A security deposit cannot exceed two (2) months rent for the unit.

ii) As per 10 TAC §53.33, the Household must comply with the following initial eligibility requirements:
   (1) Participate in an approved self-sufficiency program;
   (2) Maintain principal residency in the rental unit for which the subsidy is being provided;
   (3) Be an income eligible household; reside in a rental unit that is located within the Administrator's Service Area; and
   (4) Meet all other Program eligibility requirements as required by the Department.

iii) As defined in 10 TAC §53.33(d) the rental standard must not exceed HUD's "Fair Market Rent for the Housing Choice Voucher Program."

d) Period of Affordability. There is no period of affordability for TBRA projects.

e) Property Standards. As defined in 10 TAC §53.33(e), rental units must be inspected prior to occupancy and must comply with Housing Quality Standards established by HUD in 24 CFR §982.401.

f) Contract Terms. In accordance with 10 TAC §53.73(a)(3), the contract term for the TBRA Program shall not exceed thirty-six (36) months. Individual household assistance is limited to twenty-four (24) months and performance under the contract will be evaluated according to the following benchmarks:
   i) Six (6) months, exempt administrative environmental clearance must be complete and application intake complete for 30% for Households to be assisted;
   ii) Nine (9) months, application intake complete for 75% for Households to be assisted;
   iii) Twelve (12) months, 100% of funds must be committed to Households to be assisted and 25% of funds drawn;
   iv) Eighteen (18) months, 100% of funds already committed and 35% of funds drawn;
   v) Twenty-four (24) months, 100% of funds already committed and 50% of funds drawn; and
   vi) Thirty-six (36) months, 100% of funds already committed and 100% of funds drawn.

g) Application Threshold Requirements. The following threshold criteria listed in this subsection and in subsection (h) are mandatory requirements at the time of application submission unless specifically indicated otherwise and will be included in the written agreement, if awarded funds:
   i) **Cash Reserve**. Each awarded applicant will be required to expend funds according to program guidelines and request funds from the Department for eligible expenses. Every Applicant must evidence the ability to administer the program and commit adequate cash reserves of at least one (1) month of rent for the number of households proposed to serve as stated in the application to facilitate administration of the program during the Department's disbursement process. Cash reserves are not permanently invested in the project but are used for short term deficits that are reimbursed by program funds. Applicants must submit:
      (I) Current financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves; and
      (II) A letter from the Applicant's bank(s) or financial institution(s) indicating that current account balances are sufficient; or

(III) Evidence of an available line of credit for the total amount of cash reserves required.

ii) **Resolution**. All applications submitted must include an original resolution signed and dated within the six (6) months preceding the application submission date from the Applicant's direct governing body which includes:
(I) Authorization of the submission of the Application;
(II) Commitment and amount of cash reserves for use during the contract period;
(III) Name and title of the person authorized to represent the organization; and
(IV) Signature authority to execute a contract.

iii) **Description of Demand**. All applicants must submit a narrative that describes in detail the demand evidenced for the proposed number of units to be assisted in the proposed service area which includes:
(I) Source data (i.e. Census data/availability of rental units);
(II) Calculations (i.e. amounts to be spent/contributed locally per project); and
(III) Assumptions.

iv) **Match**. There is no match requirement for TBRA Program activity.

v) **TBRA Self Sufficiency Program**. Applicants must submit a proposed detailed Self Sufficiency Plan, and must:
(I) Describe the process for the transition of households to permanent housing by the end of the twenty-four (24) month rental assistance contract;
(II) Include documentation describing the necessary components for the overall plan proposed for transition of potential tenants;
(III) Detail, like a case management plan, the needs of the tenant, how these needs will be addressed including any agreements with service providers who shall assist the tenant at meeting these needs, and a proposed timeframe for completing those activities;
(IV) Include a sample household budget which will utilize existing sources of income such as employment, disability payments and other types of support that details how the assisted household will afford to be self-sufficient by the end of the twenty-four (24) month rental assistance;
(V) If additional income is required to attain self-sufficiency, include a plan for attaining the required education or training, or a job search plan;
(VI) Include specific housing goals that will be completed on or before the end of the twenty-four (24) month assistance period, including:
(a) Finding permanently subsidized housing;
(b) Acquiring affordable market housing; or
(c) Other permanent housing solutions.
(VII) Include the required steps, such as:
(a) Completion of an application for affordable housing;
(b) Approximate waiting time to acquire the type of housing desired; and
(c) The cost of the housing to the tenant.

h) **Threshold Score**. The application must meet the **minimum threshold score of 15**. This score is tallied using points from the following categories:

i) **Affordable Housing Needs Score**. Points range from zero to seven, as published by the Department. (Maximum 7 points).

ii) **Income Targeting**. In order to meet its annual goal of assisting very low to extremely low income families, the Department incentivizes application points for income targeting of households assisted. (Maximum 20 points). Table 8 will be used to determine income targeting requirements and associated points; as follows.

Table 8. Point Incentives for Income Targeting (TBRA)

Income Target	Points
5% to 29.99 % of units at 50% AMFI	1
30% to 59.99 % of units at 50% AMFI	3
60% to 100 % of units at 50% AMFI	5
5% to 29.99% of units at 30% AMFI	+6
30% to 59.99% of units at 30% AMFI	+11
60% to 100% of units at 30% AMFI	+15

13) Review Process.

a) Pursuant to 10 TAC §53.48(a), each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a received date based on the date and time it is physically received by the Division. Each application will be reviewed on its own merits as applicable. Applications will be reviewed for applicant and activity eligibility, and threshold criteria as described in this NOFA. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier received date but that did not complete a phase of review in a timely manner.

b) The Department will ensure review of materials for eligibility and threshold criteria, and requirements of the NOFA and Application Submission Procedures Manual (ASPM), and will issue a notice of any Administrative Deficiencies within forty-five (45) days of the received date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will continue the review process. Applications with Administrative Deficiencies not cured within five (5) business days will be terminated and must reapply for consideration of funds. Applications that have completed this phase will be reviewed for recommendation to the Board by the Executive Award and Review Advisory Committee (EARAC).

c) Because Applications are processed in the order they are received by the Department, it is possible that the Department will award all available HOME funds before an Application has been completely reviewed. If, on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

d) An applicant will be ineligible if they meet any of the criteria in 10 TAC §53.42 and will be terminated without being processed as an Administrative Deficiency.

e) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds.

The Department is not obligated to proceed with any action pertaining to any Applications that are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department reserves the right to negotiate individual elements of any Application.

f) All Applicants will be processed through the Department's Application Evaluation System, which includes a previous award and past performance evaluation. Poor past performance may disqualify an Applicant for a funding recommendation, or the recommendation may include conditions.

g) Funding recommendations of eligible Applicants will be presented to the Department's Governing Board of Directors based on eligibility. Recommendations are limited by the total amount of funds available under this NOFA and the maximum award amount.

h) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, of the Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 TAC §1.17.

i) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

14) Application Submission.

a) All applications submitted under this NOFA must be received on or before 5:00 p.m. Thursday, April 30, 2010, regardless of method of delivery.

b) The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays, from the date this NOFA is published on the Department's web site until the deadline. Questions regarding this NOFA should be addressed to:

HOME Division
221 E. 11th Street
Austin, Texas 78701
E-mail: HOME@tdhca.state.tx.us

c) All applications must be submitted, and provide all documentation, as described in this NOFA and associated application materials.

d) Applicants must submit one complete original printed copy of all Application materials and one complete scanned copy on a disc of the Application materials as detailed in the Application Submission Procedures Manual (ASPM). All scanned copies must be scanned in accordance with the guidance provided in the ASPM.

e) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

f) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $30 per Application. Payment must be in the form of a check, cashier's check or money order. **Do not send cash.** Pursuant to §2306.147(b) of the Texas Government Code, the Department will waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not an allowable or reimbursable cost under the HOME Program.

g) This NOFA does not include text of the various applicable regulatory provisions that may be important to the HOME Program. For proper completion of the application, the Department strongly encourages potential applicants to review the State and Federal regulations, and contact the HOME Division for guidance and assistance.

h) Application Workshop. The Department will conduct application workshops in locations throughout the State which provide an overview of the HOME Program Activities eligible under this NOFA and also provide Application preparation and submission requirements, evaluation criteria, and state and federal program information.

i) Audit Requirements. An applicant is not eligible to apply for funds or any other assistance from the Department unless a past audit or Audit Certification Form has been submitted to the Department in a satisfactory format on or before the application deadline, per 10 TAC §1.3(b). This is a threshold requirement outlined in the application, therefore applications that have outstanding past audits will be disqualified. Staff will not recommend applications for funding to the Department's Governing Board unless all unresolved audit findings, questions or disallowed costs are resolved per 10 TAC §1.3(c).

Applications must be sent via overnight delivery to:

Texas Department of Housing and Community Affairs
HOME Division
221 East 11th Street
Austin, TX 78701-2410

Or via the U.S. Postal Service to:

Texas Department of Housing and Community Affairs
HOME Division
PO Box 13941
Austin, TX 78711-3941

Texas Department of Housing and Community Affairs

HOME Investment Partnerships Program

Colonia Model Subdivision and Single-Family Development Program
Community Housing Development Organization (CHDO)
Notice of Funding Availability (NOFA)

1) Summary.

The Texas Department of Housing and Community Affairs ("the Department") announces the availability of approximately $3,000,000 in funding from the HOME Investment Partnerships Program for Community Housing Development Organizations (CHDOs) to develop new single-family housing for Texans with low-incomes. The availability and use of these funds is subject to the Department's HOME Program Rule at Title 10 Texas Administrative Code (10 TAC) Chapter 53 in effect at the time the application is submitted, the Federal HOME regulations governing the HOME program (24 CFR Part 92), and Chapter 2306 of the Texas Government Code. Other federal regulations may also apply such as, but not limited to, 24 CFR Parts 50 and 58 for environmental requirements, Davis-Bacon Act for labor standards, 24 CFR §85.36 and §84.42 for conflict of interest and 24 CFR Part 5, Subpart A for fair housing. Applicants are encouraged to familiarize themselves with all of the applicable state and federal rules that govern the program.

2) Allocation of HOME Funds.

a) These funds are made available through the Department's allocation of HOME funds from the U. S. Department of Housing and Urban Development (HUD). The program is designed to create housing options affordable to individuals and families of low income who would otherwise move into substandard housing. All funds released under this NOFA are to be used for the creation of affordable housing for low-income Texans earning 60% or less of the Area Median Family Income (AMFI).

b) In accordance with 10 TAC §53.48, this NOFA will be conducted as an open application cycle and funding will be available on a first-come, first-served basis. Funding made available under this NOFA is subject to the Regional Allocation Formula (RAF) and will be available as described in §(2)(c) of this NOFA. Applicants are encouraged to review the application process cited above and described herein. Applications that do not meet minimum threshold and financial feasibility will not be considered for funding. Based on the availability of funds, applications will be accepted until 5:00 p.m. on **January 29, 2010.**

c) Funds made available under this NOFA shall be subject to the Regional Allocation Formula (RAF) until **August 31, 2009** as follows (Table 1):

Table 1. Regional Allocation

Region	Place for Geographical Reference	Regional Funding Amount	Regional Funding %	Rural Funding Amount	Rural Funding %	Urban Funding Amount	Urban Funding %
1	Lubbock	$161,045	5.4%	$161,009	100.0%	$36	0.0%
2	Abilene	$109,796	3.7%	$106,728	97.2%	$3,069	2.8%
3	Dallas/Fort Worth	$587,864	19.6%	$170,644	29.0%	$417,220	71.0%
4	Tyler	$335,182	11.2%	$284,872	85.0%	$50,309	15.0%
5	Beaumont	$151,470	5.0%	$138,661	91.5%	$12,809	8.5%
6	Houston	$221,378	7.4%	$78,348	35.4%	$143,030	64.6%
7	Austin/Round Rock	$156,741	5.2%	$64,536	41.2%	$92,205	58.8%
8	Waco	$95,549	3.2%	$67,782	70.9%	$27,768	29.1%
9	San Antonio	$151,535	5.1%	$99,175	65.4%	$52,360	34.6%
10	Corpus Christi	$202,918	6.8%	$143,103	70.5%	$59,814	29.5%
11	Brownsville/Harlingen	$595,684	19.9%	$334,869	56.2%	$260,816	43.8%
12	San Angelo	$132,018	4.4%	$56,852	43.1%	$75,166	56.9%
13	El Paso	$98,821	3.3%	$72,144	73.0%	$26,677	27.0%
	Total	$3,000,000	100.0%	$1,778,722	59.3%	$1,221,278	40.7%

d) Funds made available under this NOFA and not requested under §(2)(c) of this NOFA shall be available only to applications proposing activities located entirely within a Colonia until **October 30, 2009**. After this date funds will be available statewide except for within areas served by other Participating Jurisdictions in accordance with section (3)(c) of this NOFA.

i) In accordance with 10 TAC §53.2(20), "Colonia" in section (2)(c) of this NOFA means a geographic area that is located in a county some part of which is within 150 miles of the international border of this state, that consists of 11 or more dwellings that are located in close proximity to each other in an area that may be described as a community or neighborhood, and that:

(I) Has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under Section 17.921, Texas Water Code; or

(II) Has the physical and economic characteristics of a colonia, as determined by the Department.

e) The Department awards HOME funds, typically as a loan, to eligible recipients for the provision of housing for low, very low and extremely low-income individuals and families, pursuant to 10 TAC §53.41. Award amounts are limited to no more than $1 million per application and per CHDO.

f) Each CHDO that is awarded HOME funds may also be eligible to receive a grant for CHDO Operating Expenses, which are defined in 24 CFR §92.208 as including salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; and equipment, materials, and supplies. Applicants will be required to submit organizational operating budgets, audits and other financial and non-financial materials detailed in the HOME application. The award amount for CHDO Operating Expenses shall not exceed $50,000 in accordance with 10 TAC §53.47(a)(4). Awards for operating expenses will be drawn over a two (2) year period of time. The Department reserves the right to limit an Applicant to receive not more than one award of

CHDO Operating Expenses during the same fiscal year and to further limit the award of CHDO Operating Expenses.

3) Eligible and Prohibited Activities.

a) Eligible activities will include those permissible under the federal HOME Rule at 24 CFR §92.205 and §92.254 and at 10 TAC §53.35 and §53.50, which involve the construction of affordable developments.

b) Prohibited activities include those under federal HOME rules at 24 CFR §92.214 and 10 TAC §53.37.

c) Development funds will not be eligible for use in a Participating Jurisdiction (PJ). Any HOME funds available for serving households in a PJ will only be made available under a separate NOFA for Persons with Disabilities as described in the State of Texas Consolidated Plan One-Year Action Plan.

d) A portion of funds for single-family development are set-aside for eligible CHDOs and may be used for pre-development costs, land acquisition, lot development, on-site infrastructure, construction, and down payment assistance to qualified homebuyers. Onsite infrastructure includes costs for individual service lines, approved septic installation, sidewalks, curbs and site improvements. Examples of excluded infrastructure costs are water, sewer, electrical, main or transfer lines, streets and other improvements that serve the whole community.

e) CHDO Applicants must be the developer, Contract Administrator, and construction loan borrower for the proposed development. Partnerships between CHDOs and other developers may be allowable provided the CHDO remains actively engaged and is the primary contact and any other developer partner or affiliate/related party to the partner does not also have current ownership of the property to be used for development. The Applicant must demonstrate compliance with this requirement if requested by the Department.

f) Applicants may be ineligible for funding if they meet any of the criteria listed in 10 TAC §53.42 of the Department's HOME rule, and ineligibility with any requirements under 10 TAC §49.5 excluding subsections (5) - (8). Applicants are encouraged to familiarize themselves with the Department's certification and debarment policies prior to application submission.

4) **Documenting Sources of Funds** .Applicants will be required to submit documentation on all financial resources to be used in the development that may be considered match to the Department's federal HOME requirements. Applicants must provide firm commitments as defined in accordance with the Federal HOME rules at 24 CFR §92.218 and the Department's Match Guide and will be provided with the appropriate forms and instructions on how to report eligible match as applicable.

5) **Affordability Requirements.** The affordability period for each newly-developed unit is based on the amount of HOME funds invested pursuant to 24 CFR §92.254. In the event that the housing unit is sold, the Department will recapture the shared net proceeds available based on the requirements of 24 CFR §92.254 and the housing unit must be sold for an amount not less than the current appraised value as then appraised by the appropriate governmental authority unless the balance on the Loan will be paid at closing.

6) **Site and Development Restrictions.**

a) Pursuant to 24 CFR §92.251, single family new construction housing that is constructed with HOME funds must meet all applicable local building codes (plus any amendments) and building and zoning ordinances in effect at the time of project completion. In the absence of a locally adopted building code for new construction, HOME-assisted new construction must meet the building code and version (plus any amendment) that is adopted by the county seat in which the development is located. Home-assisted new construction located in counties that have not adopted building codes must meet the 2000 International Residential Code (IRC) applicable to non-electrical aspects of residential construction, and for electrical aspects of residential construction, the 1999 National Electrical Code (NEC). Developments in unincorporated areas and counties without code enforcement procedures must have construction inspections performed as required by the Texas Residential Construction Commission (TRCC).

b) Accessibility requirements of §2306.514 of the Texas Government Code apply to all newly-developed units. To the extent that a prospective buyer of a unit requests specific accessible modifications in addition to those required under §2306.514, the special modification must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and the technical design requirements of the Uniform Federal Accessibility Standards (UFAS). All applications intended to serve persons with disabilities must adhere to the Department's Integrated Housing Rule at 10 TAC §1.15.

c) Newly-constructed homes must also meet energy standards as verified by RESCHECK ™ certification and the energy conservation sections of the 2003 International Residential Code (IRC) and the 2003 International Energy Conservation Code, if applicable, as required by Chapter 388 of the Texas Health and Safety Code, as applicable. Housing assisted with HOME funds must have passed an environmental review in accordance with 24 CFR Part 58. Single Family Accessibility Standards must also be met when applicable.

d) Housing that is constructed with HOME funds within the Designated Catastrophe Area (Texas first tier coastal counties and certain areas located in Harris County east of HWY 146) must meet the stricter of either the locally adopted building code (plus any amendment) or the 2006 International Residential Code (IRC) with Texas Revisions. At the completion of construction all developments must be certified for windstorm insurability by a physical engineer licensed and registered in Texas. Note that an engineer's design and an engineer's during-construction inspections will be necessary to receive the windstorm certification.

7) **Public Notifications.** The Department will notify all persons and organizations regarding the proposed development as required by 10 TAC §53.8 within 14 Days of Application receipt. In order to meet this requirement, the Applicant must request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials as follows:

a) Not later than fourteen (14) days prior to submission of the Application, the Applicant must e-mail, fax or mail with registered receipt a completed "Neighborhood Organization Request" letter as provided in the Application to the local elected official for the city and county where the Development is proposed to be located. If the Development is located in an Area that has district based local elected officials, or both at-large and district based local elected officials, the request must be made to the city council member or county commissioner representing that district; if the Development is located an Area that has only at-large local elected officials, the request must be made to the mayor or county judge for the jurisdiction. If the Development is not located within a city or is located in the Extra Territorial Jurisdiction (ETJ) of a city, the

county local elected official must be contacted. In the event that local elected officials refer the Applicant to another source, the Applicant must request Neighborhood Organizations from that source in the same format;

b) If no reply letter is received from the local elected officials by seven (7) days prior to the submission of the Application, then the Applicant must certify to that fact in the "Application Notification Certification Form" provided in the Application;

c) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as outlined by the local elected officials, or that the Applicant has knowledge of as of the submission of the Application, in the "Application Notification Certification Form" provided in the Application.

8) Application and Threshold Criteria. The following Threshold Criteria listed in this section are mandatory requirements at the time of Application submission unless specifically indicated otherwise:

a) **Uniform Application.** Completion and submission of the entire uniform application applicable to the program and any other supplemental documentation that may be required by the Department.

b) **Unit Amenities.** A certification that each home will have all of the following amenities:
   i) Wired with RG-6 COAX or better and CAT3 phone cable or better to each bedroom and living room;
   ii) Blinds or window coverings for all windows;
   iii) Disposal and Energy-Star or equivalently rated dishwasher;
   iv) Oven/Range;
   v) Exhaust/vent fans (vented to the outside) in bathrooms;
   vi) Energy-Star or equivalently rated lighting in all rooms, which may include compact florescent bulbs. The living room and each bedroom must contain at least one ceiling lighting fixture and wiring must be capable of supporting ceiling fans; and
   vii) Paved off-street parking for each unit to accommodate at least one mid-sized car and access to on-street parking for a second car.

c) **Unit Sizes.** A certification that each home will meet the minimum applicable unit size as provided in the following clauses of this subsection:
   i) No unit shall contain less than two bedrooms. Each unit must contain complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation;
   ii) Each bedroom must be no less than 100 square feet; have a length or width no less than 8 feet; be self contained with a door; have at least one window that provides exterior access; and have at least one closet that is not less than 2 feet deep and 3 feet wide and high enough to contain at least 5 feet of hanging space;
   iii) No less than 800 total net square feet for a two bedroom home;
   iv) No less than 1000 total net square feet for a three bedroom and two bathroom home; and
   v) No less than 1200 total net square feet for a four bedroom and two bathroom home.

d) **Design Items.** All of the architectural drawings identified in this subsection must contain an accurate and legible scale or dimensions (full size construction quality plans are not required.)

   i) A site plan for each lot or set of contiguous lots with the unit and paved parking area reflected (the actual unit reflected on a particular lot may change based on the home buyer's final selection of one of the units provided under §(2) of this NOFA);

ii) A floor plan and front exterior elevation for each proposed unit which reflects the exterior building composition. Unit plans should be consistent with other documentation in the application; and

iii) A FEMA Issued Flood Map that includes that location of the subject site or sites. An Applicant must identify the location of each site on the Flood Map(s).

e) **Households Served.** All units must be constructed for households at or below 60% of AMI and households at or below 60% of AMI are eligible to receive 100% of the purchase price (less ineligible costs) in the form of a 0% interest first lien mortgage amortized over 30 years and up to $15,000 in down payment assistance structured as a deferred forgivable second lien.

f) **Unit Cost Limits.** Each unit must meet the following requirements:

i) The total hard construction cost does not exceed $73.00 per square foot;

ii) The total development cost and purchase price do not exceed the 95% of the Single Family Mortgage Limits under Section 203(b) of the National Housing Act as required in 24 CFR §92.252(a)(2);

iii) The sales price may not exceed the per square foot valuation documented in the appraisal.

g) **Financing Documentation.** All Applicants must provide evidence of the estimated development costs and sources of financing as described in the following paragraphs of this subsection.

i) A written narrative describing the financing plan for the units including the funding sources for the construction of the units. Bona fide commitment letters or term sheets for all sources of construction financing must be provided. If other sources of down payment assistance are proposed, commitment letters evidencing these sources must be provided;

ii) The "Development Cost Schedule" provided in the application. This schedule must be completed with the estimated mix of units and the Department may place restrictions on the funding based upon this mix in order to ensure that the approved funding is sufficient to complete the total number of proposed units;

iii) An "Affordability Analysis" for each unit based upon the proposed down payment assistance and estimated permanent mortgage terms;

h) **Evidence of Property Control.** All Applicants are required to document control of each lot that is proposed to be used under this program, as follows:

i) A recorded warranty deed with corresponding executed settlement statement; or

ii) A contract or option for the purchase of the proposed lots that is valid for at least one hundred-twenty (120) days from the date of application submission.

iii) The appraisal required in §(8)(n)(i) of this NOFA must also include the "as vacant" value of at least one of the proposed lots if one of the following is true:

(I) The Applicant has an Identity of Interest with the seller or current owner of the property; or

(II) Any of the proposed property is part of a newly developed or under-development subdivision in which at least three other third-party sales cannot be evidenced.

iv) If any lot proposed for use in the program is already owned by the person(s) that will own the completed home, the current owner must sign a certification indicating that they understand that ownership of the lot will be relinquished during the period that construction and development occurs.

v) The purchase price of any lot in which the current owner has an Identity of Interest with the Applicant cannot exceed the lesser of the following:

(I) The original third-party acquisition cost plus verifiable costs of owning, holding, or improving the property since the date of original acquisition; and

(II) The appraised value of the lot or comparable lot as reflected in the required appraisal.

vi) Evidence that the property is zoned for the proposed use.

i) **Evidence of Adequate Utilities.** The Applicant must provide letters from local utility providers, on company letterhead, confirming each site has access to the following services: water and wastewater, sewer, electricity, garbage disposal and natural gas, if applicable.

j) **Development Team.** The Applicant must provide essential contact information and Tax Identification Numbers (TINs) each organization participating in the activities identified in the application. The Applicant and owners of the Applicant must also provide documentation of any previous participation with the Department's programs.

k) **Financial Capacity.** If the Department's loan(s) amount to more than 50% of the total development cost, the Application will include:
   i) A letter from a third party CPA verifying the capacity of the owner or developer to provide at least 10% of the total development cost as a short term loan for development; and
   ii) A letter from the developer's or owner's bank(s) confirming funds amounting to 10% of the total development cost are available; or
   iii) Evidence of a line of credit or equivalent source of credit equal to at least 10% of the total development cost from a financial institution that is available for use during the proposed development activities.

l) **Resolution.** A resolution from the Applicant's direct governing body authorizing the submission of the application and designating a person or persons authorized to executed legal documents on the Applicant's behalf.

m) **Colonia Evidence.** If submitted under section (2)(d) of this NOFA, a map and any other documentation required in the Application to evidence that the proposed development meets the definition in section (2)(d)(i) of this NOFA regarding location of development entirely within a Colonia.

n) **Third Party Reports.** The following third party reports must be submitted with the application unless specifically indicated otherwise.
   i) Appraisal report. An "as complete" Appraisal for at least one unit that is:
      (I) Prepared by a qualified Third Party;
      (II) Dated not more than 6 months from the date that the application is submitted; and
      Prepared in accordance with the Uniform Standards of Professional Appraisal Practice and 10 TAC §1.34, as applicable. Appraisal requirements identified in 10 TAC §1.34 that are generally only applicable for income producing property must not be met.
   ii) Phase I Environmental Site Assessment. If any unit(s) is/are proposed to be located on currently unimproved property (without infrastructure), a Phase 1 Environmental Site Assessment is required and must meet be:
      (I) Prepared by a qualified Third Party;
      (II) Dated not more than 12 months from the date that the application is submitted; and
      (III) Prepared in accordance with 10 TAC §1.35 of the Real Estate Analysis Rules and Guidelines.

o) **Application Certifications.** All Applicants may be required to certify to compliance with the following:
   i) Affirmative Marketing (24 CFR §92.351);
   ii) Davis-Bacon Act (24 CFR §92.354);
   iii) Environmental standards (24 CFR Parts 50 & 58);

iv) Uniform Relocation Act (49 CFR Part 24); and
v) Lead Safe Housing Rule (24 CFR Part 35).
vi) Other certifications may be required as specifically stated in the ASPM current at the time of Application.
vii) Audit Certification. An Applicant is not eligible to apply for funds or any other assistance from the Department unless audits are current at the time of Application or the Audit Certification Form has been submitted to the Department in a satisfactory format on or before the Application deadline for funds or other assistance per 10 TAC §1.3(b).
viii) Per 10 TAC §53.44(c) all entities receiving funds of $25,000 or more must be registered in the federal Central Contractor Registration (CCR) and have a current Data Universal Numbering System (DUNS) number.

p) **CHDO Certification.** Requirements under this subsection must only be met for Applications considered for an award of funds from the CHDO Set-Aside. CHDO Certification will be awarded in accordance with the rules and procedures as set forth in the HOME rules at 10 TAC §53.50, Community Housing Development Organization (CHDO) Certification. CHDO Certification Applications must meet the requirements of 10 TAC §53.50 at the time of Application submission. Additionally, the following apply:
i) CHDO Applicants must be the Sponsor, Owner or Developer of the proposed Development. Applicants who apply through a Limited Partnership will be required to provide evidence, at the time of CHDO certification and commitment, that the CHDO Applicant is the Managing General Partner of the partnership and has effective control (decision making authority) over the development of the property, pursuant to 24 CFR §92.300.
ii) A separate Application process is required for CHDO Certification. Review and approval of the CHDO Certification occurs during the threshold review process, however Applicants will not receive a formal certification until the award of the HOME funds has been approved by the Department's Board.
iii) A new Application for CHDO certification must be submitted to the Department with each new Application for HOME Development funds. The CHDO Application package will be available with all other Application materials on the Department's website.

9) Review Process.

a) Pursuant to 10 TAC §53.48, each application will be handled on a first-come, first-served basis as further described in this section. Each application will be assigned a Received Date based on the date and time it is physically received by the Division. Then each application will be reviewed on its own merits in three review phases, as applicable. Applications will continue to be prioritized for funding based on their Received Date unless they do not proceed into the next phase(s) of review. Applications proceeding in a timely fashion through a phase will take priority over applications that may have an earlier Received Date but that did not timely complete a phase of review. Applications will be reviewed for Applicant and Activity Eligibility, Threshold Criteria, and Financial Feasibility as described in this NOFA.

i) Phase One will begin as of the Received Date and will include a review of eligibility and threshold criteria and all Application requirements. The Department will ensure review of materials required under the NOFA and Application Submission Procedures Manual (ASPM) and will issue a notice of any Administrative Deficiencies for threshold criteria and eligibility within forty-five (45) days of the Received Date. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Two, if applicable. Applications with Administrative Deficiencies not cured

within five (5) business days, will be terminated and must reapply for consideration of funds.

ii) Phase Two will include a comprehensive review for financial feasibility. Financial feasibility reviews will be conducted by the Real Estate Analysis (REA) Division consistent with 10 TAC §1.32. REA will create an underwriting report identifying staff's recommended Loan terms, the Loan or Grant amount and any conditions to be placed on the Development. The Department will issue a notice of any Administrative Deficiencies within forty-five (45) days of the date the Application enters Phase Two. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into Phase Three, if applicable. Applications with Administrative Deficiencies not satisfied within five (5) business days, will be terminated and must reapply for consideration of funds. Applications that have completed this Phase and do not require additional review in Phase Three will be considered for placement on the next available Board meeting agenda.

iii) Phase Three will only entail the review of the CHDO Certification Application. The Department will ensure review of these materials and issue notice of any Administrative Deficiencies on the CHDO Certification Application within thirty (30) days of the Application enters Phase Three. Applicants who are able to resolve their Administrative Deficiencies within five (5) business days will be forwarded into the final review phase of the Application process. Applications with Administrative Deficiencies not cured within five (5) business days, will be terminated and must reapply for consideration of funds. Only upon satisfaction of all Administrative Deficiencies will the Application be forwarded to the final phase of the Application process. Upon completion of the applicable final review phase, the Application will be considered for placement on the next available Board meeting agenda.

iv) Because Applications are processed in the order they are received by the Department, it is possible that the Department will expend all available HOME funds before an Application has completed all phases of its review. In the case that all HOME funds are committed before an Application has completed all phases of the review process, the Department will notify the applicant that their application will remain active for ninety (90) days in its current phase. If new HOME funds become available, Applications will continue onward with their review without losing their Received Date priority. If HOME funds do not become available within ninety (90) days of the notification, the Applicant will be notified that their Application is no longer under consideration. The Applicant must reapply to be considered for future funding. If on the date an Application is received by the Department, no funds are available under this NOFA, the Applicant will be notified that no funds exist under the NOFA and the Application will not be processed.

b) Pursuant to 10 TAC §53.42 if a submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review cannot reasonably be performed by the Department, as determined by the Department, will be terminated with notice and rights to appeal but without being processed as an Administrative Deficiency. To the extent that a review was unable to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant.

c) A site visit will be conducted as part of the HOME Program development feasibility review. Applicants must receive recommendation for approval from the Department to be considered for HOME funding by the Board.

d) The Department may decline to consider any Application if the proposed activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any Applications which are received, and may decide it is in the Department's best interest to refrain from pursuing any selection process. The Department strives, through its loan terms, to securitize its funding while ensuring the financial feasibility of a Development. The Department reserves the right to negotiate individual elements of any Application.

e) In accordance with §2306.082 of the Texas Government Code and 10 TAC §53.6, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

f) An Applicant may appeal decisions made by staff in accordance with 10 TAC §1.7.

10) Administration.

a) All Applicants receiving an award under this NOFA will be required to enter into a contract with the Department and will be subject to the contract requirements in 10 TAC Chapter 53, Subchapters F and G. Additionally, Applicants are encouraged to request the Department's Manual for guidance on administration of awards and contracts made under this NOFA. This manual will also be posted to the Department's website (www.tdhca.state.tx.us/home-division/manuals-rules.htm).

b) Financing structure. There are two separate loan closing processes in the Department's Singe-Family Development Program, as follows:

i) Construction Loan(s). The first closing is on the Lot Acquisition and Interim Construction (LAIC) Loan for both the lot purchase and construction costs. The LAIC loan (from the Department to the Applicant/Contract Administrator) will equal the total development cost of the property, excluding the developer fee and any conventional construction financing, as applicable. The following clauses must be met prior to this closing:

(I) A qualified homebuyer must be identified for each home included in the closing and a sales contract must be executed with the homebuyer;

(II) Executed construction agreement between the contractor and the Contract Administrator; and

(III) All necessary and customary pre-closing due diligence identified by the Department.

ii) The construction loan may be for the construction of one or multiple homes provided that all other paragraphs of this subsection will be met.

iii) Developer fee or profit will be equal to the lesser of the amount approved by the Department's Governing Board, 15% of the total development costs less the fee itself and all other costs identified in 10 TAC §1.32(e)(7)(C), or the difference between the sales price and the construction financing attributed to a home and is paid at closing on the permanent homebuyer mortgage.

iv) Homebuyer Mortgage and Down Payment Assistance. The second closing is on the loan between the Department and homebuyer, who will be identified and qualified by the Contract Administrator to purchase the home. To ensure that the home is affordable, the Department will enter into one and/or two loans with the homebuyer depending on the family's income and use of a conventional mortgage. The loans will be structured as follows:

(I) The **First Lien Loan** will be 30-year amortizing loan with total estimated housing payment (including principal, interest, property taxes, and insurance) shall be no less than 25% and no greater than 30% of the homebuyer's gross income. Should the estimated housing payment be less than 25%, the Department shall reduce the amount of downpayment assistance and/or charge an interest rate to the homebuyer such that the total estimated housing payment is no less than 25% of the homebuyer's gross income. In no instance shall the interest rate charged to the homebuyer exceed 5% or the current "unassisted" rate available through the Department's Texas First Time Homebuyer Program, whichever is greater. The Department shall use to the income certification described in §(10)(c)(i) of this NOFA to make this determination, which may be adjusted only if the income certification described in §(10)(c)(ii) of this NOFA reflects a material decrease in gross income.

(II) The **Down Payment Assistance** would be a 15-year deferred forgivable second lien that makes up the difference between the amount of the first lien loan and the purchase price. For example, for a $92,000 home and a qualified homebuyer with a monthly payment of $225, the first lien loan will be $81,000 ($225 x 360 payments) at zero percent interest. The second lien loan in this example would be $11,000 ($92,000 - $81,000) as a deferred forgivable. If a prospective homebuyer for the same home can afford a payment of $300 per month they will not have a second lien loan. In this example, their income is enough to payoff a first lien loan of zero percent interest over thirty (30) years.

v) Applicants may collect an escrow fee of no more than $500 as a homebuyer's commitment. All of the fee will be credited to the homebuyer at closing against ineligible closing costs and the first housing payments. All other closing costs shall be paid by the Applicant and the funds awarded under this NOFA may be used to pay such reasonable and customary closing costs. The Applicant should include these costs in the Development Cost Schedule, as applicable.

c) Homebuyer qualifications. Eligible homebuyers will be qualified based on gross household, verification of consistent income, satisfactory completion of a certified homebuyer counseling program, and a certification that all recurring debt payments [including expected principal, taxes, and insurance (PITI) to own the home] are less than or equal to 45% of the homebuyer's gross income. The applicant will certify homeowner eligibility twice, as follows:

i) Prior to executing a sales contract and development of the home in accordance with 24 CFR Part 92; and

ii) Prior to closing the homebuyer's loan. The purpose of this second certification is to ensure that the homeowner's income and debt load have not changed during construction of the home such that the homebuyer's ability service the repayable debt is significantly adversely impacted.

d) If a homebuyer should become ineligible or otherwise cease participation and a new buyer is not located within ninety (90) days of the end of the construction period, all additional funding closings and draws on the award will cease and the Department will require the Applicant to repay any outstanding construction debt in full.

e) Draws. Consistent with HOME Program regulations, funding draws will be made on a reimbursement basis as completion occurs. The Applicant must provide a progress inspection from a third-party inspector, photos, lien waivers from the contractor and subcontractors (or a down-date endorsement), an itemization of actual costs incurred for each interim construction draw and in accordance with all applicable provisions of 10 TAC Chapter 53.

f) Performance benchmarks. The Contract term will not exceed 32 months. Performance under the contract will be based on the following benchmarks:
   i) 6 months, environmental clearance must be complete for 25% of the units;
   ii) 8 months, lot acquisition and interim construction loans must be closed for 25% of the units;
   iii) 14 months, construction must be completed for 25% of the units; environmental clearance must be complete for 50% of the units;
   iv) 16 months, lot acquisition and interim construction loans must be closed for 50% of the units;
   v) 22 months, construction must be completed for 50% of the units; environmental clearance must be complete for 100% of the units;
   vi) 24 months, lot acquisition and interim construction loans must be closed for 100% of the units;
   vii) 30 months, construction must be completed for 100% of the units; and
   viii) 32 months, 100% of funds must be drawn.

11) Application Submission.

a) All applications submitted under this NOFA must be received on or before 5:00 p.m. on **January 29, 2010**. The Department will accept applications from 8 a.m. to 5 p.m. each business day, excluding federal and state holidays from the date this NOFA is published on the Department's web site until the deadline. For questions regarding this NOFA please contact Cameron Dorsey at 512-475-2669 or via e-mail at cameron.dorsey@tdhca.state.tx.us.

b) Applicants must submit the Application materials as detailed in the Final ASPM in effect at the time the application is submitted. All scanned copies must be scanned in accordance with the guidance provided in the Final ASPM in effect at the time the application is submitted.

c) The application consists of several parts as further described in the Final ASPM. A complete application for each proposed development must be submitted in an electronic PDF format on a recordable compact disc (CD-R). Incomplete applications or improperly compiled applications will not be accepted. Applicants must submit the application materials as detailed in the Final ASPM in effect at the time the application is submitted.

d) Third party reports – If all applicable third party reports are not received at the time of application submission, the Application will be terminated.

e) All Application materials including manuals, NOFA, program guidelines, and all applicable HOME rules, will be available on the Department's website at www.tdhca.state.tx.us. Applications will be required to adhere to the HOME Rule and threshold requirements in effect at the time of the Application submission. Applications must be on forms provided by the

Department, and cannot be altered or modified and must be in final form before submitting them to the Department.

f) Applicants are required to remit a non-refundable Application fee payable to the Texas Department of Housing and Community Affairs in the amount of $300.00 per Application. Payment must be in the form of a check, cashier's check or money order. Do not send cash. Section 2306.147(b) of the Texas Government Code requires the Department to waive Application fees for nonprofit organizations that offer expanded services such as child care, nutrition programs, job training assistance, health services, or human services. These organizations must include proof of their exempt status and a description of their supportive services in lieu of the Application fee. The Application fee is not a reimbursable cost under the HOME Program.

g) Application Workshops. The Department will present several one-day HOME Program application workshops to provide an overview of the Single-Family Development Program, application preparation and submission, evaluation criteria, and information about the major Federal and State requirements that would impact the development. The workshop schedule and registration will be posted on the Department's website at www.tdhca.state.tx.us/home-division/sf-home/index.htm.

h) Applications must be sent via overnight delivery to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
221 East 11th Street
Austin, TX 78701-2410

or via the U.S. Postal Service to:

HOME Division
Texas Department of Housing and Community Affairs
Attn: Barbara Skinner
Post Office Box 13941
Austin, TX 78711-3941

NOTE: *This NOFA does not include the text of the various applicable regulatory provisions that may be important to the particular HOME CHDO Program. For proper completion of the application, the Department strongly encourages potential applicants to review all applicable State and Federal regulations.*

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of Housing Trust Fund Owner-Occupied Housing Assistance Gap Financing Contracts for HOME Program Contracts:

1000602	Orange County	OCC – DR
1000603	Hardin County	OCC – DR

Requested Action

Approve, Deny or Approve with Conditions Housing Trust Fund Owner-Occupied Housing Assistance Gap Financing Contracts for HOME Program Contracts:

1000602	Orange County	OCC – DR
1000603	Hardin County	OCC – DR

Background

In 2006, both Hardin and Orange Counties received HOME awards to assist victims of Hurricane Rita and the current contract status is provided below. Several households served under these contracts have been identified as receiving a potential duplication in federal benefits since FEMA funds were also provided for the repair of their housing units. In accordance with OMB Circular 87, federal funding sources are limited in the amount of assistance that can be provided to a household. Similar to the CDBG Disaster Recovery Program, this has resulted in otherwise qualified households, who are lacking only a small portion of funds to fulfill their full cost of construction, being unable to begin their reconstruction or complete the repair of their homes. In most cases, the gap for these households is less than $10,000.

In July 2007, the Board approved $1,000,000 for the Disaster Recovery Homeowner Repair Gap Financing Program in the 2008 Housing Trust Fund Annual Plan to assist households who lacked only a small portion of funds to fulfill their full cost of construction. The program was designed to complement and combine with the existing CDBG fund delivery structure which is administered by three Council's of Governments (COGs). Through separate contracts, a process was developed by which each COG accesses the funding for individual households in conjunction with the CDBG funding.

Since participating in this program, the three Councils of Governments (COGs) have committed almost $700,000 in Housing Trust Fund dollars to fund the gap in financing to assist affected

households. However, it is anticipated that the full $1,000,000 set-aside for the COGs will not be utilized and approximately $200,000 in uncommitted funds have been deobligated. Today these funds are being recommended to be reprogrammed to assist households who have been funded from the Department's HOME Disaster Relief Program.

Draws are currently pending for 8 households in need of gap assistance under the HOME contracts for Orange and Hardin counties. Approximately $30,000 in gap assistance is needed for Orange County and approximately $10,000 is needed for Hardin County. All households assisted under these contracts have incomes at or below 30% AMFI and have been provided HOME assistance in the form of a grant, as stipulated in the contract and program requirements. Additionally, staff is reconciling the amounts associated with households that have already received HOME assistance in these counties. It appears that some households may have received a potential duplication in federal benefit and additional non-federal funds will be needed in order to provide a reimbursement to HUD for those that have already been drawn. The initial estimate of the potential reimbursement for duplication of benefits is an additional $200,000. Staff is currently working with the contract administrator and the households that received the benefit to confirm these amounts.

Since many of the households served under these contracts were also affected by Hurricane Ike and are among the lowest income level households and based on the current and anticipated future availability of uncommitted and deobligated funds from the Disaster Recovery Homeowner Repair Gap Financing Program, staff recommends the Housing Trust Fund funds be used to assist affected homeowners utilizing HOME funds to repair and/or reconstruct their homes in accordance with the Department's Deobligated Funds rule. Staff also recommends that the same program requirements and limitations be imposed as established for the Disaster Recovery Homeowner Repair Gap Financing Program as follows:

- The maximum amount of assistance per household is limited to $10,500 per disaster;
- The assistance will be provided in the form of a grant in all instances except when the assistance is greater than $5,000 and the household's AMFI exceeds 60%. The assistance to households with incomes exceeding 60% AMFI with a need of greater than $5,000 will be provided in the form of a zero percent interest repayable loan. The loan amortization period is dependent on the household income level. Households between 60% and 70% AMFI will be provided assistance in the form of a five-year zero percent interest repayable loan. Households greater than 70% AMFI will be provided assistance in the form of a three-year zero percent interest repayable loan. Other funding sources may not be used in an effort to avoid providing assistance in the form of a loan;
- The funds are directed through the HOME Contract Administrator and are used to complement an existing HOME contract. The household receiving the funds must be an eligible HOME recipient who has been through the intake application process and who is only needing this remaining gap of funds to enable their ability to proceed with the HOME assistance; and,
- No administration fees are awarded.

Current Contract Status

Administrator: Orange County

Consultant:	Southeast Texas Regional Planning Commission
Activity Type:	OCC – Hurricane Disaster
Contract Executor:	Carl Thibodeaux, County Judge
Contract Start Date:	April 17, 2006
Original Contract End Date:	April 17, 2007
Amended End Date:	October 31, 2009
Service Area:	Orange County
Total Original Budget Amount:	$2,080,000
Amended Budget Amount:	$2,269,090.91
Households Required:	58
Households Committed:	29
Households Completed:	23
Amount Committed To-Date:	$1,561,636.26
Project Amount Drawn To-Date:	$1,206,322.47
Admin. Amount Drawn To-Date:	$11,342.79

Administrator:	Hardin County
Consultant:	Southeast Texas Regional Planning Commission
Activity Type:	OCC – Hurricane Disaster
Contract Executor:	Billy B. Caraway, County Judge
Contract Start Date:	April 17, 2006
Original Contract End Date:	April 17, 2007
Amended End Date:	October 31, 2009
Service Area:	Orange County
Total Original Budget Amount:	$2,080,000
Amended Budget Amount:	$2,269,090.91
Households Required:	68
Households Committed:	35
Households Completed:	29
Amount Committed To-Date:	$1,901,423.72
Project Amount Drawn To-Date:	$1,157,143.31
Admin. Amount Drawn To-Date:	$16,581.82

Recommendation

Staff recommends approval of a Housing Trust Fund contract to Orange and Hardin Counties to provide gap assistance to the 8 households based on the criteria described within this action item and authorization for the Executive Director to approve the final amount of the contracts once the exact need is determined, not to exceed a total of $50,000 for both contracts. Additionally, staff recommends the contracts be contingent to any unresolved audit findings, questioned or disallowed costs, and non-compliance issues being resolved to the Department's satisfaction.

Additionally, staff recommends that any available, uncommitted balances remaining from the COG contracts for the Disaster Recovery Homeowner Repair Gap Financing Program be made available to reimburse the HOME Investment Partnerships Program for any households for

which a duplication of benefit is determined to exist but not to exceed the available balance or $300,000, whichever is greater.

HOME PROGRAM DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of Requests for Amendments to HOME Program Contracts/Commitments:

1000956 Special Health Resources For Texas, Inc. TBRA

Requested Action

Approve, Deny or Approve with Conditions Requests for Amendments to HOME Program Contracts/Commitments:

1000956 Special Health Resources For Texas, Inc. TBRA

Background

Special Health Resources For Texas, Inc. (Administrator) received a 2008 HOME contract to provide Tenant-Based Rental Assistance to persons with disabilities residing in areas of several east Texas counties that are not participating jurisdictions (non-PJs). During recent technical assistance visits, it was discovered that the Administrator has been serving households in the cities of Longview and Tyler, which are Participating Jurisdictions because they receive a direct HOME allocation from HUD.

The original application with the intent to serve 30 persons (households) with HIV/AIDs was submitted in March 2008 in response to a NOFA that only provided funding in non-PJs. Since the Administrator's intention was to serve a specific disabled population and based on the change in September 2007 to the language in Section 2306.111, Texas Government Code, which allows 5% of the annual HOME allocation to be allocated to serve persons with disabilities in any area of the state, it was misunderstood that the funding could be provided in any area of the state whenever providing assistance to a person (household) with a disability.

As of May 27, 2009, the Administrator has set-up 23 households in the Department's Contract System, each of which is serving one or more people with disabilities. Of the 23 households already approved for assistance, 20 households reside in PJ areas and are currently ineligible for funding under the current contract and NOFA structure. Although funding was not available through a persons with disabilities designated NOFA at the time of original application, the 2008 Single Family Persons with Disabilities NOFA has remained undersubscribed by over $433,000 at the time of expiration on May 30, 2009. Since allowing the conversion of this contract to a

Person with Disabilities TBRA contract funded from the 2008 Single Family Persons with Disabilities NOFA will not adversely impact any applications received under the NOFA and will result in additional Persons with Disabilities being served, staff is recommending the reclassification of this application and contract.

Additionally, as a result of the technical assistance visit, the Administrator concluded that if the 23 households currently being served continue with assistance for the full, allowable term at the current rate of subsidies, enough funding may not be available to serve an additional 7 households. The Administrator has already committed nearly 50% of total award to the 23 households currently identified. The reduction in households would help to ensure that the Administrator has funds available for the remainder of the contract and therefore, staff is also recommending a reduction in the number of households served. This recommendation does not have a negative impact on any applications received for either NOFA since both of the NOFAs, under which the Administrator was originally funded and that staff is proposing the application be reclassified under, were undersubscribed.

Current Contract Status

Amendment Number:	1
Administrator:	Special Health Resources For Texas, Inc.
Consultant:	
Activity Type:	TBRA
Contract Executor:	Phil Farmer, Executive Director
Contract Administrator	Special Health Resources For Texas, Inc.
Contract Start Date:	August 8, 2008
Original Contract End Date:	August 7, 2011
Amended End Date:	NA
Service Area:	Athens, Beckville, Bogata, Bullard, Canton, Carthage, Center Point, Clarksville, Daingerfield, De Kalb, Detroit, Edom, Frankston, Gary, Gladewater, Hallsville, Hawkins, Henderson, Hughes Springs, Jacksonville, Kilgore, Lone Star, Malakoff, Maud, Mineola
Total Original Budget Amount:	$312,000.00
Total Amended Budget Amount:	$312,000.00
Households Required:	30
Households Committed:	23
Households Completed:	0
Amount Committed To-Date:	$143,851.00
Project Amount Drawn To-Date:	$66,742.00
Admin. Amount Drawn To-Date:	$1,200.00

Modification Request/Recommended

Requested Total Households Required: 23

Service Area:	Anderson, Bowie, Camp, Cherokee, Gregg, Harrison, Henderson, Lamar, Morris, Panola, Red River, Rusk, Smith, Van Zandt, and Wood Counties

Recommendation

Staff recommends that the current TBRA contract for Special Health Resources For Texas, Inc. be amended to:

- be reclassified to a TBRA contract funded under the 2008 Single Family Persons with Disabilities NOFA;
- reduce the number of required units from 30 to 23; and,
- adjust the service area to include the Rural/Urban areas of Anderson, Bowie, Camp, Cherokee, Gregg, Harrison, Henderson, Lamar, Morris, Panola, Red River, Rusk, Smith, Van Zandt, and Wood Counties.

Additionally, staff recommends the amendment be contingent to any unresolved audit findings, questioned or disallowed costs, and non-compliance issues being resolved to the Department's satisfaction.

MULTIFAMILY FINANCE PRODUCTION DIVISION
BOARD ACTION REQUEST
July 16, 2009

Action Items

Presentation, Discussion and Possible Approval for Housing Tax Credit Extensions.

Required Action

Approve, amend or deny the requests for extensions related to one (1) 2003, one (1) 2004, two (2) 2005, six (6) 2006, and four (4) 2007 Housing Tax Credit allocations.

Background

Pertinent facts about the request for extension are given below. The requests were accompanied by a mandatory $2,500 extension request fee.

HTC No. 05165, Lincoln Park Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(a) of the 2005 Qualified Allocation Plan, "…Submit the required Cost Certification documentation no later than April 1 of the year following the date the buildings were placed in service. …". The owner elected to initiate the credit period in 2007 and missed the April l, 2008 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 15, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Lincoln Park Apartments, LP
General Partner:	Lincoln Park Apartments, LLC
Developer:	APV Redevelopment Corporation
Principals/Interested Parties:	Housing Authority of the City of Houston
City/County:	Houston/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	General
Units:	200 HTC units
2005 Allocation:	$1,314,621
Allocation per HTC Unit:	$6,573
Extension Request Fee Paid:	$2,500
Current Deadline:	April 1, 2008
New Deadline Requested:	January 15, 2009
New Deadline Recommended:	**January 15, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

LINCOLN PARK APARTMENTS, L.P.

June 24, 2009

Mr. Kent Bedell
Multifamily Finance Production Division
Texas Department of
Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Lincoln Park Apartments, Houston, Harris County, Texas (TDHCA #05165); Request for Extension of Cost Certification Deadline.

Dear Mr. Bedell:

Lincoln Park Apartments, LP ("Owner") received a 2005 Housing Tax Credit Commitment Notice for the development of Lincoln Park Apartments (the "Project"). In 2007 the Owner received an extension of the Placed in Service Deadline until December 31, 2008. Since the Cost Certification deadline is tied to the year of placement in service, no request for an extension of that deadline was filed concurrently.

It now appears that the Owner inadvertently missed the deadline for filing the Cost Certification because some buildings were actually placed in service in 2007. Accordingly, we are requesting an extension of the deadline. The Cost Certification was filed with the TDHCA on January 15, 2009 although deficiency review and response is still ongoing. Assuming that the TDHCA agrees that the Cost Certification was submitted on January 15, 2009 we hereby request an extension of the Cost Certification Deadline for this project to match that submission date.

Enclosed please find a check in the amount of $2,500.00 representing the extension fee that must accompany a request for an extension of a TDHCA deadline. If you have any questions, please do not hesitate to call the undersigned at 713-260-0500.

Sincerely,

Horace C. Allison
Senior Vice President

Enclosure- $2,500 Check

05-30-09P12:02 RCVD

HOUSTON
HOUSING AUTHORITY

P.O. BOX 2971 • HOUSTON, TEXAS 77252-2971 • (713) 260-0571
GENERAL FUND ACCOUNT

BANK OF AMERICA, N.A.
DALLAS, TEXAS

034982

DATE	CONTROL NO.	AMOUNT
06/26/2009	0000034982	$2,500.00

VOID AFTER 60 DAYS

PAY

Two Thousand Five Hundred and 00/100

TO THE ORDER OF

Texas Dept Of Housing & Community Affairs
P. O. Box 139410
Austin, TX 78711-9410

⑈034982⑈ ⑆111000025⑆ ⑈139000570⑈

HTC No. 05447, Providence Place II Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(a) of the 2005 Qualified Allocation Plan, "…Submit the required Cost Certification documentation no later than April 1 of the year following the date the buildings were placed in service. …". The owner elected to initiate the credit period in 2007 and had an original cost certification documentation deadline of April 1, 2008 for the above referenced development. However, the applicant requested to extend the cost certification deadline from April l, 2008 to August 1, 2008. The request was approved by the Department on June 26, 2008. The owner missed the August 1, 2008 deadline because they received Department approval of an amendment request to substitute amenities, which necessitated changes to their cost certification documentation, causing further delays in submitting the cost certification documentation. The full cost certification documentation was received on January 7, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Quail Creek South, LP
General Partner:	Quail Creek South GP, LLC
Developer:	Provident Realty Development, LP
Principals/Interested Parties:	Leon Backes and Matt Harris
City/County:	Denton/Denton
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Intergenerational
Units:	252 HTC units
2005 Allocation:	$1,071,070
Allocation per HTC Unit:	$4,246
Extension Request Fee Paid:	$2,500
Original Deadline	April 1, 2008
Current Deadline:	August 1, 2008
New Deadline Requested:	January 7, 2009
New Deadline Recommended:	**January 7, 2009**
Previous Extensions:	(1) June 26, 2008
Staff Recommendation:	**Approve the extension as requested.**

QUAIL CREEK SOUTH, LP

5400 LBJ Freeway, Suite 975
Dallas, Texas 75240

June 26, 2009

Kent Bedell
TDHCA
221 East 11th Street

RE: PROVIDENCE PLACE II #05447, Request for Extension of Cost Certification

Mr. Bedell,

Consider this our request for an extension to file the Cost Certification. The reason for the need of an extension was to receive the approval by the Board to amend the application, then to construct the substitute amenities then receive final construction clearance. I later realized a requirement to correct the cost certification from Reznick for these reasons an extension is required.

Sincerely,

Douglas Backes

HTC No. 060405, Sea Breeze Seniors Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2007 and missed the January l5, 2008 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 15, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Sea Breeze Seniors, LP
General Partner:	Sea Breeze GP, LLC
Developer:	Sea Breeze Seniors, LP
Principals/Interested Parties:	Bluebonnet Gardens
City/County:	Corpus Christi/Nueces
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	200 HTC units
2006 Allocation:	$612,571
Allocation per HTC Unit:	$3,062
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2008
New Deadline Requested:	January 15, 2009
New Deadline Recommended:	**January 15, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

SEA BREEZE SENIORS, LP

3701 Ayers Street
Corpus Christi, Texas 78415

RICHARD J. FRANCO, MANAGER

Office: 361-889-3350
Fax: 361-889-3326

May 06, 2009

Kent Bedell
Texas Department of Housing and Community Affairs
Multifamily Division
221 East 11th Street
Austin, Texas 78711-3941

RE: Sea Breeze Senior Apartments TDHCA # 060405
Request for cost certification extension

Dear Mr. Bedell:

Please accept this communication as our formal request for a cost certification extension. Specifically, we are responding to a Request for Information for Cost Certification of Sea Breeze Senior Apartments letter dated April 30, 2009. This request will accompany the required fee in the amount of $2,500.00.

If you have any questions regarding this request, please contact Deborah Sherrill at 361-889-3393.

Sincerely,

Richard J. Franco

HTC No. 060408, Amberwood
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2007 and missed the January l5, 2008 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 11, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Amberwood PacifiCap
General Partner:	PacifiCap Holdings XXXIX, LLC
Developer:	PacifiCap Properties Group
Principals/Interested Parties:	Chad I. Rennaker and Jason Q. Rennaker
City/County:	El Paso/El Paso
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	Acquisition/Rehab
Population Served:	Family
Units:	304 HTC units
2006 Allocation:	$489,934
Allocation per HTC Unit:	$1,612
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2008
New Deadline Requested:	March 11, 2009
New Deadline Recommended:	**March 11, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

PacifiCap

July 1, 2009

Kent Bedell
Multifamily Housing Specialist
Texas Dept. of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Dear Mr. Bedell:

development

Please accept this letter as our request to extend the due date of the cost certification for Amberwood Apartments (Project # 060408). The original due date of the cost certification was January 15, 2008, as the project was placed in service in 2007. The cost certification was submitted to the Department on March 11, 2009.

The work was completed as of June 30, 2007, however, all contract amounts were not fully expended until March 31, 2008. At this time, the Final Construction Inspection was requested. From that inspection, it was deemed that additional fans needed to be added to the units, per the QAP. As the rehabilitation included a completely upgraded HVAC system that would actually be hindered by additional ceiling fans, we then requested an amendment to the application to remove this requirement for Amberwood.

construction

The request was brought to the Board at the December 18, 2008 meeting. At that meeting, the amendment request was denied, so it was required that additional ceiling fans be installed throughout the property in order to get the Final Construction Inspection approved.

In the meantime, we started brushing up against our syndicator's deadline to have the 8609's, so we decided to proceed with compiling and submitting the application while installing the fans, in the hopes that the fans would be complete at the same time as the review of the cost certification materials. Thus, the application was submitted on March 11, 2009.

Lastly, as Amberwood utilizes the 4% Federal Tax Credits, which do not expire, we were unaware of the deadline for the cost certification. We have not run across such a deadline in the other states where we have this type of credit and we apologize for not realizing we

management

needed to request an extension in January, 2008.

Please let me know if you have any further questions. Thank you for your assistance.

Sincerely,

Chad I. Rennaker
President

PacifiCap Properties Group
412 NW 5th Avenue
Suite 200
Portland, OR 97209
Ph. (503) 288-6210
Fax (503) 288-6209

HTC No. 060609, The Residences at Sunset Pointe
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2008 and missed the January l5, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 20, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement; however, they have requested that the Board waive the $2500 extension processing fee based on the facts presented in their extension request letter.

Owner:	Sunset Pointe Housing Partnership, Ltd.
General Partner:	NDG-Sunset Pointe, LLC
Developer:	NuRock Development Group, Inc.
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	254 HTC units
2006 Allocation:	$699,601
Allocation per HTC Unit:	$2,754
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 20, 2009
New Deadline Recommended:	**January 20, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension with the exception of the waiver of the fee.**

NuRock Companies

580 Decker Drive ◈ Suite 208 ◈ Irving, Texas 75062
Phone 972-573-3400 ◈ Fax 678-218-1496

05-14-09 12:29 RCVD

May 11, 2009

Mr. Kent Bedell
Multifamily Division
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Residences at Sunset Pointe
TDHCA #060609

Dear Mr. Bedell:

We submitted our cost certification package to TDHCA on January 20, 2009. The tax credit allocation was governed by the 2006 Qualified Allocation Plan (QAP). As we claimed credits in 2008, this package was due on January 15, 2009. Sunset Pointe Housing Partnership, Ltd. requests an extension of this deadline for submission of the cost certification. We base this request on these facts:

- This cost certification package is for a bond financed property so the State's competitive credit allocations were not affected nor was any other application or project put at a competitive disadvantage because of this short delay.
- The deadline for submittal of the cost certification was April 1 in the 2005 and prior QAPs. This change in deadline caught us by surprise.
- The delay in submittal of this document was not material. It did not affect when the housing was available to eligible residents, the amount of credits requested, the financial viability of the property or the timing of the staff's response to the submittal.
- The package was only 4 business days late.
- This is a quality and successful project, completed on time, fully rented to eligible residents and in the process of conversion to permanent financing.

We respectfully request that the $2,500 fee associated with this request be waived as well.

Sincerely,

Daniel Allgeier, Vice President
NuRock Development
Extension 2151
dallgeier@nurock.com

HTC No. 060014, Nacogdoches Senior Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2008 and missed the January l5, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on March 9, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Nacogdoches-Charger Properties, LP
General Partner:	Charger Affiliates, LLC
Developer:	Louis Williams & Associates, Inc.
Principals/Interested Parties:	Bonita Williams
City/County:	Nacogdoches/Nacogdoches
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Elderly
Units:	36 HTC units
2006 Allocation:	$335,179
Allocation per HTC Unit:	$9,311
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	March 9, 2009
New Deadline Recommended:	**March 9, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

Louis Williams & Associates Inc.
410 CR 198
Nacogdoches, TX 75965
936-560-5702
936-560-2636 fax
louisw@suddenlink.net

June 12, 2009

Kent Bedell
TDHCA
221 East 11th Street
Austin, TX 78701

RE: 060014 Nacogdoches Senior Village
Cost Certification Extension Request

Dear Mr. Bedell,

We are requesting a Cost Certification Extension Request for Nacogdoches Senior Village TDHCA # 060014. The Cost Certification documents were submitted to the Department on March 9, 2009. During department review it was discovered that an extension request had not been received. Enclosed is a check for $2500.00 for the extension.

Best regards,

Bonita Williams

Bonita Williams

05-15-09A11:13 RCVD

HTC No. 060071, Retama Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2008 and missed the January l5, 2009 deadline to submit cost certification documentation for the above referenced development. The owner has requested a change in the deadline from January 15, 2009 to July 15, 2009. The reason given for the request was that the audit of the developments costs were delayed because a portion of the development buildings were placed in service in 2008 and the remaining portion in 2009; therefore, additional time is needed for the auditors to review the cost certification documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Retama Village, Ltd.
General Partner:	Retama Village GP, LLC and McAllen HFC
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown, Doak D. Brown, Jed A. Brown, and Wil C. Brown
City/County:	McAllen/Hidalgo
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	128 HTC units
2006 Allocation:	$1,095,913
Allocation per HTC Unit:	$8,561
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	July 15, 2009
New Deadline Recommended:	**July 15, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #060071 Retama Village in McAllen, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Retama Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The audit of the total development costs for Exhibit 10C of the Cost Certification is currently in process. Three of the nine buildings in this development were placed in service in late 2008 and the remainder in early 2009. Accordingly, the audit date for the cost certification is February 28, 2009, making the January 15th date unattainable. We anticipate submission of the complete cost certification package to Real Estate Analysis no later than July 15, 2009.

Enclosed is a check in the amount of $2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

L Holleman

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Joe Saenz, Manager of the General Partner

6459 Safe Haven Lane
Brownwood, Texas 76801
e-mail: leslieholleman@aol.com

325.784.9797 ph
325.784.9777 fax
325.998.0705 cell

HTC No. 060072, Easterling Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2008 and missed the January l5, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 26, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Easterling Village, Ltd.
General Partner:	Easterling Village GP, LLC
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown and Doak D. Brown
City/County:	Alice/Jim Wells
Set-Aside:	N/A
Type of Area:	Rural
Type of Development:	New Construction
Population Served:	Family
Units:	48 HTC units
2006 Allocation:	$386,170
Allocation per HTC Unit:	$8,045
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 26, 2009
New Deadline Recommended:	**January 26, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #060072 Easterling Village in Alice, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Easterling Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The cost certification package was received by TDHCA on January 26, 2009, nine days after the deadline, as evidenced by the receipt letter from Rosalio Banualos in Real Estate Analysis. The additional days were needed to prepare a complete and accurate package.

Enclosed is a check in the amount of $2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

L Holleman

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Doak Brown, Manager of the General Partner

6459 Safe Haven Lane
Brownwood, Texas 76801
e-mail: lesliehollemen@aol.com

325.784.9797 ph
325.784.9777 fax
325.998.0705 cell

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Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

January 26, 2009

Doak Brown
Easterling Village, Ltd.
6517 Mapleridge
Houston, TX 77081
Phone: (713) 705-3507
Fax: (713) 432-0120

By E-mail Transmission: dbrown@campbellriggs.com

RE: Receipt of Cost Certification for Easterling Village (TDHCA # 060072)

Please be informed that the Department has received your Cost Certification documentation for processing IRS Forms 8609 for the above captioned property. If you have any questions regarding the status of this file you may contact me at (512) 475-3357 or rosalio.banuelos@tdhca.state.tx.us.

Sincerely,

Rosalio Banuelos
Cost Certification Specialist

cc: Leslie Holleman
By E-mail Transmission: leslieholleman@aol.com

Jason Brow
Asset Manager
Wachovia Securities
301 S. College Street, NC0177
Charlotte, NC 28288
By Facsimile Transmission: (704) 715-0046

HTC No. 07090 (Supplement to HTC No. 060073), Thomas Ninke Senior Village
(Cost Certification Extension)

Summary of Request: Pursuant to §50.15(b)(2) of the 2006 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner elected to initiate the credit period in 2008 and missed the January l5, 2009 deadline to submit cost certification documentation for the above referenced development. The owner submitted the full cost certification documentation on January 29, 2009 and the Real Estate Analysis Division is currently reviewing the documentation for completeness. The owner's extension request included all documentation necessary to comply with the requirement.

It should be noted, in accordance with §49.21(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period."

Owner:	Thomas Ninke Senior Village, Ltd.
General Partner:	Thomas Ninke Senior Village and Victoria Affordable Housing, Corp.
Developer:	Brownstone Affordable Housing and Three B Ventures, Inc.
Principals/Interested Parties:	William L Brown, Doak D. Brown, Jed A. Brown, Wil C. Brown and William Lee Brown GS Trust
City/County:	Victoria/Victoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2006 Allocation:	$472,636
Allocation per HTC Unit:	$5,908
Extension Request Fee Paid:	$2,500
Current Deadline:	January 15, 2009
New Deadline Requested:	January 29, 2009
New Deadline Recommended:	**January 29, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

Leslie Holleman & Associates, Inc.
Residential Real Estate Development & Consulting

June 5, 2009

Mr. Kent Bedell
Housing Specialist
Multifamily Housing Finance Division
221 East 11th Street
Austin, Texas 78701-2410

via Federal Express

Re: HTC #07090 Thomas Ninke Senior Village in Victoria, TX
Cost Certification Extension Request

Dear Mr. Bedell:

Thomas Ninke Senior Village, Ltd. respectfully requests an extension of the January 15, 2009 deadline for the submission of the Cost Certification package. The cost certification package was received by TDHCA on January 29, 2009, fourteen days after the deadline, as evidenced by the receipt letter from Rosalio Banualos in Real Estate Analysis. The additional days were needed to prepare a complete and accurate package.

Enclosed is a check in the amount of $2,500 for the extension fee. Please contact me at (325) 784-9797 if you have any questions or need additional information.

Best Regards,

L Holleman

Leslie Holleman
Consultant to the Partnership

Cc: Rosalio Banuelos, Real Estate Analysis
Debbie Gillespie, Manager of the General Partner

6459 Safe Haven Lane
Brownwood, Texas 76801
e-mail: leslieholleman@aol.com

325.784.9797 ph
325.784.9777 fax
325.998.0705 cell

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Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.
Gloria Ray

January 29, 2009

Debbie Gillespie
Thomas Ninke Senior Village, Ltd.
4001 Halsey
Victoria, TX 77901
Phone: (361) 575-3682
Fax: (361) 572-9946

By E-mail Transmission: DGillespi@aol.com

RE: Receipt of Cost Certification for Thomas Ninke Senior Village (TDHCA # 07090)

Please be informed that the Department has received your Cost Certification documentation for processing IRS Forms 8609 for the above captioned property. If you have any questions regarding the status of this file you may contact me at (512) 475-3357 or rosalio.banuelos@tdhca.state.tx.us.

Sincerely,

Rosalio Banuelos
Cost Certification Specialist

cc: Leslie Holleman
By E-mail Transmission: leslieholleman@aol.com

Jack Hodgkins
MMA Financial, Inc.
101 Arch Street
Boston, MA 02110
By E-mail Transmission: JHodgkins@mmafin.com

HTC No. 07149, Residences at Eastland
(Commencement of Substantial Construction)

Summary of Request: Pursuant to §49.14(c) of the 2007 Qualified Allocation Plan, "The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension…". The owner missed the December 1, 2008 deadline to submit commencement of substantial construction for the above referenced development. The owner submitted the full commencement of substantial construction documentation on May 21, 2009. The Compliance Division has reviewed the documentation and determined that the Commencement of Substantial Construction requirement has been satisfied. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	FW-Eastland Housing Partners, Ltd.
General Partner:	NDG-Eastland, LLC
Developer:	NuRock Development Group, Inc.
Principals/Interested Parties:	Robert G. Hoskins and Sandra K. Hoskins
City/County:	Fort Worth/Tarrant
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Family
Units:	140 HTC units
2007 Allocation:	$1,200,000
Allocation per HTC Unit:	$8,571
Extension Request Fee Paid:	$2,500
Current Deadline:	December 1, 2008
New Deadline Requested:	May 21, 2009
New Deadline Recommended:	**May 21, 2009**
Previous Extensions:	N/A
Staff Recommendation:	**Approve the extension as requested.**

NuRock Companies

580 Decker Drive ◈ Suite 208 ◈ Irving, Texas 75062
Phone 972-573-3412 ◈ Fax 678-297-3433

May 20, 2009

Mr. Bedell,

Please find attached the Commencement of Substantial Construction documentation for Residences at Eastland, TDHCA # 07149. Included you will find our building permits, and our most recent G702 & G703 forms. In fact, the project has moved along fairly well, with approximately 50% of the construction contract amount having been expended (including, of course, that all the foundations are in place, and well over 50% of the framing has been completed).

We are anticipate receipt of Certificates of Occupancy in the September/October 2009 timeframe, well in advance of the end of year deadline.

Please also take this as the request for extension of the deadline, and find attached a check for $2500 for the extension fee.

I hereby certify that there are no reasonably foreseeable issues which may prevent/delay the progress of construction on this project.

Dan Allgeier, Authorized Agent
FW-Eastland Housing Partners, Ltd.
By: NDG-Eastland, LLC, its general partner

TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS
Building Homes. Strengthening Communities.

Texas Department of Housing and Community Affairs
Portfolio Management and Compliance
Attn: Gavin Reid, Inspections Specialist
P.O. Box 13941, Austin, Texas 78711-3941
Phone: (512) 657-5619 Fax: (512) 475-3359 Email: gavin.reid@tdhca.state.tx.us

CONSTRUCTION PROGRESS REPORT – COMMENCEMENT OF SUBSTANTIAL CONSTRUCTION

Development Name: Residences at Eastland TDHCA File No.: 07149
Development Address: 5500 Eastland Street
Development City: Fort Worth Development County: Tarrant

NAME and ADDRESS of OWNERSHIP ENTITY

Name: FW-Eastland Housing Partners, Ltd. Contact: Brad Bell
Mailing Address: 580 Decker Drive, Suite 208
City: Irving ST: TX Zip: 75062
Phone: 972-573-3412 Ext. Fax: 678-297-3433
Email address: bbell@nurock.com

☒ **New Construction:** The minimum activity necessary to meet the requirement of substantial construction for new construction Developments is defined as:

- ☒ Delivery of an executed partnership agreement with the investor;
- ☒ Delivery of the executed construction loan and construction loan agreement;
- ☒ Completion of the foundation of the clubhouse (if applicable);
- ☒ Having all permits;
- ☒ All grading completed (not including landscaping);
- ☒ All necessary utilities available at the property; **and**
- ☒ All Right of Way access **and one of the following (Check One)**:
  - ☒ 20 percent of the construction contract amount for the development expended, adjusted for any change orders and certified by the inspecting architect; **or**
  - ☒ 100 percent of the foundations in place and 50 percent of the framing completed; **or**
  - ☐ 25 percent of all residential buildings roofed.

☐ **Rehabilitation:** The minimum activity necessary to meet the requirement of Commencement of Substantial Construction for Rehabilitation Developments is defined as:

- ☐ Building permits issued or a clearance from the City stating that building permits are not required;
- ☐ A certification that there are no reasonably foreseeable issues or circumstances which may prevent or delay the start and progress of construction or the timely successful completion of rehabilitation; **and**
- ☐ At least 20 percent of the construction budget expended as documented by the inspecting architect.

Evidence the Development Owner has commenced and continued substantial construction activities should be filed with TDHCA within two (2) weeks of the requirement being met. The QAP requires the evidence to be submitted no later than December 1 of the year after the execution of the Carryover Allocation Documents. If this deadline cannot be met, an extension must be requested through Kent Bedell at (512) 475-3882 or kent.bedell@tdhca.state.tx.us.

Copies of the following documents must be provided with this report (upon review of the documents additional information may be requested):

- ☒ Copy of the executed partnership agreement with the investor;
- ☒ Copy of the executed construction loan and construction loan agreement;
- ☒ Copy of the most recent construction draw, AIA Documents G702 (certified by Architect) and G703;
- ☒ Photographs of the development as of the date of this progress report;
- ☒ Copies of building permits, or clearance from City stating building permits are not required; **and**
- ☒ Certification from owner stating there are no reasonably foreseeable issues which may prevent/delay the start/progress of construction or the timely successful completion of rehab (rehabs only).

I (we) hereby acknowledge and certify that the total project is at least 50 % complete, and all requirements of Substantial Construction as defined above have been completed as of 5/1/2009 (date). Evidence of the Commencement of Substantial Construction is substantiated by documentation provided which I (we) certify to be true and correct.

By: _____ 5.20.09
Signature of Owner *Date*

Daniel Allgeier, Agent _____
Printed Name *Title*

FW-Eastland Housing Partners, Ltd
by: NDG – Eastland, LLC, general partner

TDHCA Date Stamp

HTC No. 07198, West Durango Apartments
(Cost Certification Extension)

Summary of Request: Pursuant to §49.15(b)(2) of the 2007 Qualified Allocation Plan, "…Required Cost Certification documentation must be received by the Department no later than January 15 following the year the Credit Period begins…". The owner has requested a change in the cost certification deadline from July 15, 2009 to January 15, 2010 for the above referenced development. The development's original cost certification deadline was January 15, 2009. On February 4, 2009 the Department approved an extension to submit the cost certification documentation to July 15, 2009. The basis for the original request/approval was that a portion of the Development's buildings began their tax credit period in 2008 and the other portion in 2009 and it would reduce the cost/administrative burden for the partnership to submit the cost certification documentation at one time.

The reason given for the additional request is that the owner has encountered further delays in completing a portion of the infrastructure work due to the City of San Antonio completing street repairs near the project. The owner intends to include those infrastructure costs in its cost certification documentation; therefore, more time is needed to gather complete and accurate documentation. The determination of such potential eligibility is not being made at this time. The granting of the extension will provide the owner the opportunity to make their case for such eligibility. It should be noted, in accordance with §49.20(m) of the 2009 Qualified Allocation Plan and Rules, "For Competitive Housing Tax Credit Developments, a penalty fee equal to the one year credit amount of the lost credits (10% of the total unused tax credit amount) will be required to be paid by the Owner prior to the issuance of form 8609's if the tax credit are not returned, and 8609's issued, within 180 days of the end of the first year of the credit period." Granting the extension would not waive this penalty if the development was not able to justify the originally awarded credit amount. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	West Durango, LP.
General Partner:	West Durango GP, LLC, Housing and Community Services, Inc., and Lucas & Associates, LP
Developer:	Housing and Community Services, Inc.
Principals/Interested Parties:	Raymond H. Lucas, Joshua C. Lucas, and Sean R. Lucas
City/County:	San Antonio/Bexar
Set-Aside:	At-Risk and Non-profit
Type of Area:	Urban
Type of Development:	Acquisition/Rehab
Population Served:	Family
Units:	82 HTC units
2007 Allocation:	$657,418
Allocation per HTC Unit:	$8,017
Extension Request Fee Paid:	$2,500
Original Deadline	January 15, 2009
Current Deadline:	July 15, 2009

New Deadline Requested:	January 15, 2010
Deadline Recommended:	**January 15, 2010**
Previous Extensions:	(1) February 4, 2009
Staff Recommendation:	**Approve but do not grant waiver of the penalty provisions if all of the credits can not be justified.**

LLB&L
Locke Lord Bissell & Liddell LLP
Attorneys & Counselors

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

June 26, 2009

VIA E-MAIL

Brent Stewart, *Director of Real Estate Analysis*
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: West Durango Apartments (the "**Project**")
TDHCA No. 07198
Request for Extension of Deadline for Submission of Cost Certification

Dear Mr. Stewart:

On behalf of West Durango, LP (the "**Partnership**"), the Development Owner with respect to the above-referenced Project, we are submitting this letter to request an extension of the deadline for submission of the cost certification documentation. A check in the amount of $2,500 for payment of the extension fee will be sent to the Department under separate cover.

As explained in our previous extension request dated January 15, 2009, a portion of the buildings in the Project started their credit period in 2008 (the "**2008 Buildings**"). The remaining buildings in the Project will start their credit period in 2009 (the "**2009 Buildings**"). The Partnership asked to extend the due date of the cost certification submission for the 2008 Buildings so that it could combine the 2008 Buildings and 2009 Buildings into one submission. The Department approved the prior request to extend the cost certification deadline to July 15, 2009.

Since the time of the prior extension request and approval, the Owner has encountered delays in completing a portion of the infrastructure work for the Project due to street repairs that the City of San Antonio is doing near the Project. The Owner intends to include the costs of the infrastructure work in its cost certification. Consequently, because the Owner is starting this work later than anticipated, the calculation of its costs and the preparation of the supporting cost certification documentation will be delayed as well.

In light of the foregoing, the Partnership respectfully requests an extension of the deadline for submission of its cost certification for the 2008 Buildings to **January 15, 2010**, which is consistent with the standard deadline for submission of the cost certification documents for the 2009 Buildings.

Please confirm in writing the requested extension. If you need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Robbye Meyer
TDHCA, Director of Multifamily Programs

Audrey Martin
TDHCA, Real Estate Analysis

Ray Lucas
Lucas & Associates
(via e-mail)

Gilbert Piette
Housing and Community Services, Inc.
(all via e-mail)

HTC No. 07203, The Melbourne Apartments
(Commencement of Substantial Construction)

Summary of Request: Pursuant to §49.14(c) of the 2007 Qualified Allocation Plan, "The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with a possibility of an extension…". The owner missed the May 1, 2009 deadline for commencement of substantial construction (COC) for the above referenced development and is now requesting approval to extend the COC requirement to May 1, 2010. The reason given for this additional request is that they have been unable to close on the equity/construction financing due to substantial increases in interest rates and they have had difficulties finding a construction bridge loan for the project. The ownership anticipates closing on all financing by August 15, 2009 and believes that can meet the commencement of substantial requirement by May 2010.

Additionally, on November 7, 2008 the Department granted a six (6) month extension to the original COC deadline of December 1, 2008 and a one (1) year extension to the original placed in service (PIS) deadline of December 31, 2009. Staff has strong concerns that if the COC requirement deadline is extended, as requested by the owner, that the development will not be able to meet their December 31, 2010 Federal PIS deadline; therefore, staff recommends that the COC requirement be extended until January 1, 2010. This should give the owner sufficient time to meet the COC requirement and have the Development placed in service by December 31, 2010. The owner's extension request included all documentation necessary to comply with the requirement.

Owner:	Melbourne Development Partners, LP
General Partner:	NZ-H Properties, Inc.
Developer:	NZ-H Properties, Inc.
Principals/Interested Parties:	Sally Gaskin, Frank Doyle, SGI Ventures, and MRG Allycat, Inc.
City/County:	Alvin/Brazoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	110 HTC units
2007 Allocation:	$1,200,000
Allocation per HTC Unit:	$10,909
Extension Request Fee Paid:	$2,500
Original Deadline:	December 1, 2009
Current Deadline:	May 1, 2009
New Deadline Requested:	May 1, 2010
New Deadline Recommended:	**January 1, 2010**
Previous Extensions:	(1) November 7, 2008
Staff Recommendation:	**Approve the extension to January 1, 2010.**

LDG Development, LLC
Lechner Dischinger Group

June 24, 2009

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: Melbourne Senior Apartments (TDHCA #07203)
Substantial Construction Extension Request

Dear Ms. Meyer,

Melbourne Development Partners, LP requests an extension of the substantial completion deadline for the Melbourne Senior development until May 2010. Enclosed is a check payable to TDHCA in the amount of $2,500, representing the extension fee. Pursuant to §49.20(l) of the 2007 QAP, this extension request is within the discretion of the Executive Director and does not require Board approval.

Melbourne Senior Apartments is a 110-unit 9% tax credit project in Alvin, Texas. The project owner has encountered a number of issues that have delayed the equity and construction financing closing. The delay has been caused by a substantial increase in interest rates on construction/permanent loans and difficulties finding a construction bridge loan for project. We should be closing the LPA by August 15, 2009 and may start construction prior to that date. The project owner anticipates that it will be able to evidence commencement of substantial construction by the May 2010.

If you have any questions, or if you need any additional information in order to make a determination in connection with this request for extension, please do not hesitate to call me at 502-638-0534 ext. 29.

Sincerely,

Justin Hartz

1159891.1/000001.000001

1473 South Fourth Street, Louisville, KY 40208 ▪ (502) 638-0534 Fax (502) 638-9197

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

November 7, 2008

Mr. Bill Shircliff
LDG Multifamily, LLC
1473 South Fourth Street
Louisville, KY 40208

Re: Melbourne Senior Apartments (the Development), Alvin, Brazoria County
Housing Tax Credit Development No. 07203

Dear Mr. Shircliff:

The Texas Department of Housing and Community Affairs received your letter of October 22, 2008. The letter requested an extension of the commencement of substantial construction deadline of December 1, 2008 to May 1, 2009 and an extension of the original placed in service deadline of December 31, 2009 to December 31, 2010 for the development name above. The request is made pursuant to Revenue Procedures 2007-54. The revenue procedures provide relief for owners with carryover allocations for developments located in counties designated by the Federal Emergency Management Agency (FEMA) as eligible for disaster assistance as of the date of a Presidential Disaster Declaration. A carryover allocation was in effect for the subject development when Harris County was designated in association with FEMA Disaster Number 1780-DR, declared on July 24, 2008. You indicated that Hurricane Ike has caused delays in engineering work, obtaining building permits, identifying construction crews, and finalizing contracting for the start of construction.

Your request is granted. The new commencement of substantial construction deadline is May 1, 2009 and the new placed in service deadline is December 31, 2010. Please include this letter with the submission of your cost certification.

Sincerely,

Michael Gerber
Executive Director

MFP/kb

Cc: Robbye Meyer, Director of Multifamily Finance Production
Wendy Quackenbush, Manager of Compliance Monitoring
Raquel Morales, Manager of Real Estate Analysis

HTC No. 03178, Jacinto Manor
(HUB Replacement)

Summary of Request: In April of 2008, the Special Limited Partner (SLP), Columbia Housing SLP Corporation, assumed control of the general partner. The exit of the previous general partner resulted in the loss of the participation of a Historically Underutilized Business (HUB). The SLP requested time to locate another HUB to replace the previous one. The SLP was unable to locate another HUB and request a six month extension in November 2008 which was granted by the Executive Director. On May 19, 2009, the SLP requested an additional 90 day extension to secure a HUB partner. The SLP had difficulties attracting qualified HUBs in general but those difficulties were enhanced by the aftermath of Hurricane Ike and the financial conversion of the permanent loan of the development. The SLP does have a promising candidate and needs a couple of months to negotiate terms.

Owner:	Jacinto Manor, Ltd.
General Partner:	Artisan/American Corp and Inland General Construction Co.
Developer:	American Corporation
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young, Jr.
City/County:	Jacinto City/Harris
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	160 HTC units
2003 Allocation:	$782,354
Allocation per HTC Unit:	$4,890
Original Deadline:	November 19, 2008
Current Deadline:	May 19, 2009
New Deadline Requested:	August 19, 2009
New Deadline Recommended:	**August 19, 2009**
Previous Extensions:	(1) November, 2008
Staff Recommendation:	**Approve the extension as requested.**

LLB&L
Locke Lord Bissell & Liddell LLP
Attorneys & Counselors

100 Congress Avenue, Suite 300
Austin, Texas 78701-2748
Telephone: 512-305-4700
Fax: 512-305-4800
www.lockelord.com

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

May 19, 2009

VIA E-MAIL

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Jacinto Manor (the "**Project**")
TDHCA No. 03178
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Jacinto Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC as general partner of the Owner. Because the Owner's LURA requires participation by a historically-underutilized business (a "**HUB**"), the Department's approval of the general partner change required that SLP ultimately be replaced by another general partner meeting the HUB requirements. The Owner is required to effect such a general partner replacement by May 19, 2009. The purpose of this letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

SLP, on behalf of the Owner, has been actively seeking a qualified replacement general partner, but has not yet been able to finalize the discussions necessary to effect the replacement. When SLP first began the search for a HUB, it requested a list of potential HUB candidates from the Department, but was advised that such a list did not exist. Consequently, the process of identifying potential general partner replacements took a considerable amount of time and effort.

SLP ultimately was able to find and contact a number of HUBs, but a majority of these HUBs were not willing to take an active role in the operation of the Project, which is an important criterion for SLP in its selection of a replacement general partner. In addition, the discussions with the HUBs were put on hold due to Hurricane Ike, which disrupted not only the Owner's operations, but also those of the HUB candidates. An additional factor that has hampered SLP's ability to complete the HUB search is the difficulty that the Project has had in converting to its permanent loan, which has been an ongoing issue since the end of 2007. Resolution of the issues relating to conversion has taken more time and resources than originally anticipated, and the uncertain status of the permanent financing has been an impediment in trying to attract qualified HUB candidates.

SLP has now worked through the issues with the permanent financing and expects to obtain a permanent loan commitment for the Owner in the next couple of months. The stability in the Project's operations has also allowed SLP to renew its efforts to find a HUB general partner. SLP has been in discussions with several candidates, including one particularly promising candidate called the Warrior

Group. The Warrior Group is a newcomer to the tax credit community and wishes to gain experience in owning and operating tax credit deals. The parties have engaged in extensive negotiations; however, additional time is needed in order for a decision to be made on whether a deal will be finalized with the Warrior Group or with one of the other candidates SLP is currently interviewing. For your reference, attached as Exhibit A is a summary from SLP that provides additional detail on the issues highlighted above and the steps that have been taken to address them.

In light of the foregoing, the Owner and SLP respectfully request an extension of the deadline to replace SLP with a qualified HUB as general partner until **August 19, 2009**. Significant time, effort, and resources have been invested in the Project to address the general partner replacement and the permanent loan conversion difficulties, but it has simply taken longer than anticipated to work out these issues. SLP believes that the extension will provide sufficient time to finalize a deal with a HUB general partner. The permanent loan commitment is also anticipated to be issued within this timeframe, which will allow for a much smoother transition to the new general partner.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Jacinto Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(all via e-mail)

Exhibit A

SLP Summary

PNC Bank through its affiliate, Columbia Housing SLP Corp took possession of the property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the properties. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 4 different entities that have a HUB or a relationship with a HUB and one CHODO in the event a HUD cannot be found. We have done business with three of the five companies and PNC has a good relationship with their respective organizations. The other two have excellent reputations. All five are known to TDHCA and as far as we know are in good standing. While I don't think it would be appropriate to mention all five of the candidates while we are in negotiations, one of the five candidates who has given us permission to use it name, is The Warrior Group (HUB # 175271433290017). Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Jacinto didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

Our efforts to find a HUB Replacement GP also have been hampered by the failure of the property to produce sufficient cash flow to convert the construction loan to a permanent loan. The construction loan matured in December 2007. The lender has extended the loan several times and its current maturity date is April 1, 2009. We are currently negotiating another extension. The property is currently operating at 90% physical occupancy which is a significant milestone because one of the conditions for conversion to a permanent loan is 90% occupancy for at least 90 days. Jacinto Manor first reached 90% in January. The uncertain status of the permanent financing has been an impediment to finalizing a deal with any of the replacement General Partner candidates. Even though the physical occupancy has reached 90%, one of the conditions for loan conversion, the cash flow is not sufficient to produce a 1.15 debt service coverage ratio, another requirement of the lender. PNC Multifamily Capital and its investors have deposited $1,055,000 to buy down the loan so it can convert and maintain a 1.15 debt coverage ratio. We think it would make sense and, actually be an advantage for the replacement GP, if the property has a commitment from the lender to convert the construction loan before the replacement GP is approved by TDHCA. We should have that commitment in 30 to 60 days, now that operations have improved and PNC has deposited over $1,000,000 to buy down the loan. The resizing of the loan should enhance the future viability of the property and pave the way for a new General Partner that is a HUB.

Columbia Housing SLP has invested considerable effort into finding viable candidates to be a replacement GP, stabilizing the property and supporting it financially so the financing is solid when the new GP takes over. Regrettably we will not be able to complete the task by the May 19, 2009 deadline. We respectfully request a 90 days extension of the timeframe for the finding a replacement GP suitable to TDHCA.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

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Juan S. Muñoz, Ph.D.

January 7, 2009

Ms. Christine R. Richardson
Locke Lord Bissell & Liddell, LLP
100 Congress Avenue, Suite 300
Austin, TX 78701-2748

Re: Jacinto Manor Apartments (the Development), Jacinto City, Harris County
Housing Tax Credit Development No. 03178

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs (Department) received your letter dated November 19, 2008. The letter requested an extension of the deadline to submit documentation fulfilling the replacement of HUB requirement, as indicated in the LURA, for the development named above. The extension requested a change in the deadline from November 19, 2008 to May 19, 2009. The reason given for your request was that the Owner and Special Limited Partner have experienced several delays in locating a qualified HUB replacement general partner due to the aftereffects of Hurricane Ike and the current volatility in the financial market, which has hindered the conversion of the construction loan to a permanent loan. You have also indicated that your first priority is to convert the construction loan to the permanent loan so that the transition from the current GP to the replacement will be smoother and less disruptive to the Development's operations.

Your request to extend the deadline to submit documentation fulfilling the replacement of HUB requirement to May 19, 2009 is granted.

Sincerely,

Michael Gerber
Executive Director

MFP/kb

Cc: Robbye Meyer, Director of Multifamily Finance Production
Raquel Morales, Manager of Real Estate Analysis

Printed on recycled paper

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Austin, Texas 78701-2748
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Locke Lord Bissell & Liddell LLP
Attorneys & Counselors

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

November 19, 2008

VIA HAND DELIVERY

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

11-19-08 P05:46 IN

Re: Jacinto Manor (the "**Project**")
TDHCA No. 03178
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Jacinto Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC as general partner of the Owner. A copy of the Department's approval letter is attached as Exhibit A for your reference (the "**Approval Letter**"). The purpose of our letter is to request an extension of the timeframe for the Owner to indentify a HUB general partner, as explained more fully below.

The substitution of SLP as general partner was intended as a temporary measure while the Owner and SLP worked to identify a replacement general partner that was a historically-underutilized business ("**HUB**"), as required by the Project's LURA. The Approval Letter indicated that the Owner would have six months (until November 19, 2008) to identify a HUB to become the Owner's general partner. However, it was our understanding from the Department that the six-month timeframe could be extended for an additional six months if necessary for the Owner to identify a suitable HUB general partner.

While the Owner and SLP have been actively seeking a qualified replacement general partner, they have not yet been able to finalize the discussions necessary to effect the replacement. Attached hereto as Exhibit B is documentation that substantiates the efforts of the Owner and SLP to identify a HUB that could assume the general partner role. As you can see from this documentation, the Owner and SLP have undertaken tangible efforts to find a replacement general partner, but have been hampered by the aftereffects of Hurricane Ike. In addition, from a timing perspective, the Owner and SLP believe that the transition to the replacement GP will be smoother and less disruptive to the operations of the Project if the conversion to the permanent loan can be completed first. The ultimate goal is obviously to identify a new general partner that is qualified and that will be a benefit to the ongoing operations of the Project, and both the Owner and SLP want to ensure that there is sufficient time to conduct the due diligence necessary to accomplish this.

In light of the foregoing, we are submitting this letter on behalf of the Owner to request an extension of the timeframe for the Owner to replace SLP with a qualified HUB as general partner until

May 19, 2009. This date is consistent with the six-month extension that the Department advised would be available in this situation.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Jacinto Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(*all via e-mail*)

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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EXECUTIVE DIRECTOR

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Gloria Ray

May 19, 2008

Christine Richardson
Locke, Lord, Bissell and Liddell, LLP
100 Congress Avenue, Suite 300
Austin, Texas 78701-2748

Re: Jacinto Manor (the Development), Jacinto City
Jacinto Manor, Ltd. (the Development Owner)
Housing Tax Credit Development No. 05178

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs received your letter of April 7, 2008. The letter requested approval for a change in the ownership structure of the development owner named above. The structure would change by the voluntary withdrawal of both of the transaction's co-General Partners, Jacinto Manor Management, LLC and Jacinto Manor Construction, LLC. The current Special Limited Partner, Columbia Housing SLP Corporation will assume the role of General Partner and will obtain the ownership interest vacated by the co-General Partners.

The removal of Jacinto Manor Management, LLC results in the loss of a HUB. The applicant is hereby allotted six months to replace the HUB without penalty to the application. If upon the six-month deadline the HUB has not been replaced, the original application will be subject to a loss of HUB points and any subsequent penalties as may result from such loss. The six-month deadline is November 19, 2008.

Your request is granted. This letter will be forwarded to our Portfolio Management and Compliance Division and to the Real Estate Analysis Division. Please include this letter with the submission of your cost certification.

Thank you for your letter.

Sincerely,

Robbye Meyer
Director of Multifamily Finance Production

MFP/eh

Cc: Patricia Murphy, Director of Portfolio Management and Compliance
Raquel Morales, Manager of Real Estate Analysis

EXHIBIT B

Summary of Actions to Identify HUB GP replacement (from Columbia Housing SLP Corporation)

PNC Bank, through its affiliate, Columbia Housing SLP Corporation, took possession of the Jacinto Manor property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the property. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 3 different entities that have a HUB or a relationship with a HUB. We have done business with two of the three companies and PNC has a good relationship with their respective organizations. The third has an excellent reputation. All three are known to TDHCA and as far as we know are in good standing. Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Jacinto didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

We have also been hampered somewhat by the conversion of the construction loan to a permanent loan. The construction loan matured in December 2007. PNC extended the loan several times and its current maturity date is December 1, 2008. The last time we approved an extension was based on the assumption that we would convert in the fourth quarter of 2008. PNC is the construction lender and the permanent loan will be underwritten and approved by PNC for sale to a third party vendor. When the deal was originally structured, it was anticipated that they loan would be sold in the mortgage back security market. As you know, due to the current credit crises that market has disappeared. The alternative is to sell the loan to Freddie Mac or Fannie Mae and we are underwriting it to Freddie and Fannie standards. We think it would make sense and, actually be an advantage for the replacement GP, if the construction loan is converted before the replacement GP is approved by TDHCA and managing the property. Unfortunately it doesn't look like the loan will convert in the fourth quarter. The loan is in line to be converted either this quarter or the first quarter of 2009.

For the most part the Storm related issues are behind us at Jacinto Manor and the loan conversion process is underway. We will pick up our discussions in the near future and hopefully have a new GP approved and in place by the end of the first quarter of 2009.

HTC No. 04206, Lake Jackson Manor
(HUB Replacement)

Summary of Request: In May of 2008, the Special Limited Partner (SLP), Columbia Housing SLP Corporation, assumed control of the general partner. The exit of the previous general partner resulted in the loss of the participation of a Historically Underutilized Business (HUB). The SLP requested time to locate another HUB to replace the previous one. The SLP was unable to locate another HUB and request a six month extension in November 2008 which was granted by the Executive Director. On May 19, 2009, the SLP requested an additional 90 day extension to secure a HUB partner. The SLP had difficulties attracting qualified HUBs in general but those difficulties were enhanced by the aftermath of Hurricane Ike and the financial conversion of the permanent loan of the development. The SLP does have a promising candidate and needs a couple of months to negotiate terms.

Owner:	Lake Jackson Manor, Ltd.
General Partner:	Artisan/American Corp and Inland General Construction Co.
Developer:	American Corporation
Principals/Interested Parties:	H. Elizabeth Young and Vernon R. Young, Jr.
City/County:	Lake Jackson/Brazoria
Set-Aside:	N/A
Type of Area:	Urban
Type of Development:	New Construction
Population Served:	Elderly
Units:	80 HTC units
2004 Allocation:	$402,176
Allocation per HTC Unit:	$5,027
Original Deadline:	November 20, 2008
Current Deadline:	May 22, 2009
New Deadline Requested:	August 22, 2009
New Deadline Recommended:	**August 22, 2009**
Previous Extensions:	(1) November 2008
Staff Recommendation:	**Approve the extension as requested.**

LLB&L
Locke Lord Bissell & Liddell LLP
Attorneys & Counselors

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Austin, Texas 78701-2748
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Christine R. Richardson
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Direct Fax: 512-391-4754
crichardson@lockelord.com

May 19, 2009

VIA E-MAIL

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Lake Jackson Manor (the "**Project**")
TDHCA No. 04206
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Lake Jackson Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC as general partner of the Owner. Because the Owner's LURA requires participation by a historically-underutilized business (a "**HUB**"), the Department's approval of the general partner change required that SLP ultimately be replaced by another general partner meeting the HUB requirements. The Owner is required to effect such a general partner replacement by May 22, 2009. The purpose of this letter is to request an extension of the timeframe for the Owner to identify a HUB general partner, as explained more fully below.

SLP, on behalf of the Owner, has been actively seeking a qualified replacement general partner, but has not yet been able to finalize the discussions necessary to effect the replacement. When SLP first began the search for a HUB, it requested a list of potential HUB candidates from the Department, but was advised that such a list did not exist. Consequently, the process of identifying potential general partner replacements took a considerable amount of time and effort.

SLP ultimately was able to find and contact a number of HUBs, but a majority of these HUBs were not willing to take an active role in the operation of the Project, which is an important criterion for SLP in its selection of a replacement general partner. In addition, the discussions with the HUBs were put on hold due to Hurricane Ike, which disrupted not only the Owner's operations, but also those of the HUB candidates. An additional factor that has hampered SLP's ability to complete the HUB search is the difficulty that the Project has had in converting to its permanent loan, which has been an ongoing issue since the end of 2007. Resolution of the issues relating to conversion has taken more time and resources than originally anticipated, and the uncertain status of the permanent financing has been an impediment in trying to attract qualified HUB candidates.

SLP has now worked through the issues with the permanent financing and expects to obtain a permanent loan commitment for the Owner in the next couple of months. The stability in the Project's operations has also allowed SLP to renew its efforts to find a HUB general partner. SLP has been in discussions with several candidates, including one particularly promising candidate called the Warrior

Group. The Warrior Group is a newcomer to the tax credit community and wishes to gain experience in owning and operating tax credit deals. The parties have engaged in extensive negotiations; however, additional time is needed in order for a decision to be made on whether a deal will be finalized with the Warrior Group or with one of the other candidates SLP is currently interviewing. For your reference, attached as Exhibit A is a summary from SLP that provides additional detail on the issues highlighted above and the steps that have been taken to address them.

In light of the foregoing, the Owner and SLP respectfully request an extension of the deadline to replace SLP with a qualified HUB as general partner until **August 22, 2009**. Significant time, effort, and resources have been invested in the Project to address the general partner replacement and the permanent loan conversion difficulties, but it has simply taken longer than anticipated to work out these issues. SLP believes that the extension will provide sufficient time to finalize a deal with a HUB general partner. The permanent loan commitment is also anticipated to be issued within this timeframe, which will allow for a much smoother transition to the new general partner.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Lake Jackson Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)
(*all via e-mail*)

Exhibit A

SLP Summary

PNC Bank through its affiliate, Columbia Housing SLP Corp took possession of the property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the properties. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 4 different entities that have a HUB or a relationship with a HUB and one CHODO in the event a HUD cannot be found. We have done business with three of the five companies and PNC has a good relationship with their respective organizations. The other two have excellent reputations. All five are known to TDHCA and as far as we know are in good standing. While I don't think it would be appropriate to mention all five of the candidates while we are in negotiations, one of the five candidates who has given us permission to use it name, is The Warrior Group (HUB # 175271433290017). Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Lake Jackson didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

Our efforts to find a HUB Replacement GP also have been hampered by the failure of the property to produce sufficient cash flow to convert the construction loan to a permanent loan. The construction loan matured in December 2007. The lender has extended the loan several times and its current maturity date is April 1, 2009. We are currently negotiating another extension. The property is currently operating at a 1.15 Debt Service Coverage Ratio, which is one of the prerequisites for a loan conversion at 100% of the approved loan amount. Lake Jackson first reached a 1.15 DSCR in February 2009 and is in line to convert in July or August of 2009. The uncertain status of the permanent financing has been an impediment to finalizing a deal with any of the replacement General Partner candidates. Even though the physical occupancy has reached 90%, one of the conditions for loan conversion, the cash flow is not sufficient to produce a 1.15 debt service coverage ratio, another requirement of the lender. PNC Multifamily Capital and its investors have deposited $1,055,000 to buy down the loan so it can convert and maintain a 1.15 debt coverage ratio. We think it would make sense and, actually be an advantage for the replacement GP, if the property has a commitment from the lender to convert the construction loan before the replacement GP is approved by TDHCA. We should have that commitment in 30 to 60 days, now that operations have improved and PNC has deposited over $1,000,000 to buy down the loan. The resizing of the loan should enhance the future viability of the property and pave the way for a new General Partner that is a HUB.

Columbia Housing SLP has invested considerable effort into finding viable candidates to be a replacement GP, stabilizing the property and supporting it financially so the financing is solid when the new GP takes over. Regrettably we will not be able to complete the task by the May 22, 2009 deadline. We respectfully request a 90 days extension of the timeframe for the finding a replacement GP suitable to TDHCA.

04206

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Juan S. Muñoz, Ph.D.

March 13, 2009

Ms. Christine R. Richardson
Locke Lord Bissell & Liddell, LLP
100 Congress Avenue, Suite 300
Austin, TX 78701-2748

Re: Jacinto Manor Apartments (the Development), Lake Jackson, Brazoria County
Housing Tax Credit Development No. 04206

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs (Department) received your letter dated November 20, 2008. The letter requested an extension of the deadline to submit documentation fulfilling the replacement of HUB requirement, as indicated in the LURA, for the development named above. The extension requested a change in the deadline from November 20, 2008 to May 22, 2009. The reason given for your request was that the Owner and Special Limited Partner have experienced several delays in locating a qualified HUB replacement general partner due to the aftereffects of Hurricane Ike and the current volatility in the financial market, which has hindered the conversion of the construction loan to a permanent loan. You have also indicated that your first priority is to convert the construction loan to the permanent loan so that the transition from the current GP to the replacement will be smoother and less disruptive to the Development's operations.

Your request to extend the deadline to submit documentation fulfilling the replacement of HUB requirement to May 22, 2009 is granted.

Sincerely,

Michael Gerber
Executive Director

MFP/kb

Cc: Robbye Meyer, Director of Multifamily Finance Production
Raquel Morales, Manager of Real Estate Analysis

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Locke Lord Bissell & Liddell LLP
Attorneys & Counselors

Christine R. Richardson
Direct Telephone: 512-305-4754
Direct Fax: 512-391-4754
crichardson@lockelord.com

November 20, 2008

11-20-08 02:56 IN

VIA HAND DELIVERY

Ms. Robbye Meyer
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Lake Jackson Manor (the "**Project**")
TDHCA No. 04206
Request for Extension of Time for HUB Replacement

Dear Robbye:

We represent Lake Jackson Manor, Ltd., which is the owner of the referenced Project (the "**Owner**"). The Owner previously received the Department's approval for a change in the Owner's general partner. Specifically, Columbia Housing SLP Corporation ("**SLP**") replaced both Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC as general partner of the Owner. A copy of the Department's approval letter is attached as Exhibit A for your reference (the "**Approval Letter**"). The purpose of our letter is to request an extension of the timeframe for the Owner to indentify a HUB general partner, as explained more fully below.

The substitution of SLP as general partner was intended as a temporary measure while the Owner and SLP worked to identify a replacement general partner that was a historically-underutilized business ("**HUB**"), as required by the Project's LURA. The Approval Letter indicated that the Owner would have six months (until November 22, 2008) to identify a HUB to become the Owner's general partner. However, it was our understanding from the Department that the six-month timeframe could be extended for an additional six months if necessary for the Owner to identify a suitable HUB general partner.

While the Owner and SLP have been actively seeking a qualified replacement general partner, they have not yet been able to finalize the discussions necessary to effect the replacement. Attached hereto as Exhibit B is documentation that substantiates the efforts of the Owner and SLP to identify a HUB that could assume the general partner role. As you can see from this documentation, the Owner and SLP have undertaken tangible efforts to find a replacement general partner, but have been hampered by the aftereffects of Hurricane Ike. In addition, from a timing perspective, the Owner and SLP believe that the transition to the replacement GP will be smoother and less disruptive to the operations of the Project if the conversion to the permanent loan can be completed first. The ultimate goal is obviously to identify a new general partner that is qualified and that will be a benefit to the ongoing operations of the Project, and both the Owner and SLP want to ensure that there is sufficient time to conduct the due diligence necessary to accomplish this.

In light of the foregoing, we are submitting this letter on behalf of the Owner to request an extension of the timeframe for the Owner to replace SLP with a qualified HUB as general partner until

May 22, 2009. This date is consistent with the six-month extension that the Department advised would be available in this situation.

Please confirm in writing the requested extension. If you have any questions or need anything further in conjunction with this extension request, please let me know. We appreciate your assistance.

Sincerely,

Christine R. Richardson

cc: Lake Jackson Manor, Ltd. (c/o Jack Doyle, Columbia Housing SLP Corporation)
Ben Sheppard
Elizabeth Henderson
Cynthia L. Bast (Firm)

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

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Juan S. Muñoz, Ph.D.
Gloria Ray

May 23, 2008

Christine Richardson
Locke, Lord, Bissell and Liddell, LLP
100 Congress Avenue, Suite 300
Austin, Texas 78701-2748

Re: Lake Jackson Manor (the Development), Lake Jackson
Lake Jackson Manor, Ltd. (the Development Owner)
Housing Tax Credit Development No. 04206

Dear Ms. Richardson:

The Texas Department of Housing and Community Affairs received your letter of May 13, 2008. The letter requested approval for a change in the ownership structure of the development owner named above. The structure would change by the voluntary withdrawal of both of the transaction's co-General Partners, Lake Jackson Manor Management, LLC and Lake Jackson Manor Construction, LLC. The current Special Limited Partner, Columbia Housing SLP Corporation will assume the role of General Partner and will obtain the ownership interest vacated by the co-General Partners.

The withdrawal of Lake Jackson Manor Management, LLC results in the loss of the transaction's HUB. The applicant is hereby allotted six months to replace the HUB without penalty to the application. If upon the six-month deadline the HUB has not been replaced, the original application will be subject to a loss of HUB points and any subsequent penalties as may result from such loss. The six-month deadline is November 22, 2008.

Your request is granted. This letter will be forwarded to our Portfolio Management and Compliance Division and to the Real Estate Analysis Division. Please include this letter with the submission of your cost certification.

Thank you for your letter.

Sincerely,

Robbye Meyer
Director of Multifamily Finance Production

MFP/eh

Cc: Patricia Murphy, Director of Portfolio Management and Compliance
Raquel Morales, Manager of Real Estate Analysis

EXHIBIT B

Summary of Actions to Identify HUB GP replacement (from Columbia Housing SLP Corporation)

PNC Bank, through its affiliate, Columbia Housing SLP Corporation, took possession of the Lake Jackson Manor property in May 2008. The first 60 days were spent making improvements in the property. Deferred maintenance expenditures were not overwhelming but they had to be done, in our opinion, before we could start marketing the property. Those issues were addressed and we started our search for a replacement General Partner. So far we have had conversations with 3 different entities that have a HUB or a relationship with a HUB. We have done business with two of the three companies and PNC has a good relationship with their respective organizations. The third has an excellent reputation. All three are known to TDHCA and as far as we know are in good standing. Our marketing has included sending financial packages and site visits. We were making progress when Hurricane Ike hit the Houston area. Even though Lake Jackson didn't suffer substantial damage it did force us to put our GP marketing efforts on hold, not only because we were distracted with the aftermath of the Storm but so were so the entities we were having discussions with.

We have also been hampered somewhat by the conversion of the construction loan to a permanent loan. The construction loan matured in December 2007. PNC extended the loan several times and its current maturity date is December 1, 2008. The last time we approved an extension was based on the assumption that we would convert in the fourth quarter of 2008. PNC is the construction lender and the permanent loan will be underwritten and approved by PNC for sale to a third party vendor. When the deal was originally structured, it was anticipated that they loan would be sold in the mortgage back security market. As you know, due to the current credit crises that market has disappeared. The alternative is to sell the loan to Freddie Mac or Fannie Mae and we are underwriting it to Freddie and Fannie standards. We think it would make sense and, actually be an advantage for the replacement GP, if the construction loan is converted before the replacement GP is approved by TDHCA and managing the property. Unfortunately it doesn't look like the loan will convert in the fourth quarter. The loan is in line to be converted either this quarter or the first quarter of 2009.

For the most part the Storm related issues are behind us at Lake Jackson Manor and the loan conversion process is underway. We will pick up our discussions in the near future and hopefully have a new GP approved and in place by the end of the first quarter of 2009.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of Trustees for the Multifamily Mortgage Revenue Bond Transactions.

Requested Action

Approve, Amend or Deny the Recommended Trustee Below.

Background

The Department has an open Request for Qualifications (RFQ) published on the website. The approved trustees are approved on a two year basis and it is time to renew that approval for one of the trustees currently on the Department's approved list. All other trustees on the list are not up for renewal at this time. For multifamily bond transactions, the Applicant selects a trustee from an approved list published by the Department. The trustee administers the Trust Indenture, makes payments to the Bondholders and disburses bond proceeds, and provides reports on bond issues and fund balances to the Department.

The qualifications for US Bank, a trustee currently on the Department's approved list, expires in August 2009. The Department received their Request for Qualifications on June 18, 2009. After reviewing the qualifications of US Bank, the Department staff recommends that they remain on the list. With offices located in Houston and Dallas, US Bank is positioned to respond adequately to client's needs. Having successfully closed approximately $141,000,000 in multifamily revenue bond transactions over the preceding three years through a variety of issuers in Texas demonstrates their presence and trust among the development community. In addition, the experience of the personnel in multifamily transactions is indicative of the experience required to administer corporate trust accounts.

Recommendation

Staff recommends that the Board approve US Bank as an approved trustee and that it remain on the Department's approved list.

Approved Trustees for Multifamily Bond Transactions

Bank of New York Mellon Trust Company, N.A. (6/08)
Dallas Contact: Dorothy Miller
919 Congress Avenue, Suite 500
Austin, Texas 78701
Phone: (512) 236-6506
dorothy.miller@bnymellon.com

Bank of New York Mellon Trust Company, N.A. (6/08)
Dallas Contact: Robert Patterson
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Phone: (214) 468-6536
robert.l.patterson@bnymellon.com

Bank of New York Mellon Trust Company, N.A. (6/08)
Houston Contact: Seth Crone
601 Travis Street, Floor 18
Houston, Texas 77002
Phone: (713) 410-8259
Seth.crone@bnymellon.com

Regions Bank (6/08)
Houston Office Contact: Cary W. Gilliam
1717 St. James Place, Suite 500
Houston, Texas 77056
Phone: (713) 693-5344
Cary.gilliam@regions.com
Alternate Contact: Ann Harris
Phone: (205) 326-7831
Ann.harris@regions.com

Regions Bank (6/08)
Dallas Office Contact: Mark Dault
1111 W. Mockingbird Lane, 12th Floor
Dallas, Texas 75247
Phone: (214) 678-2577
mark.dault@regions.com

U.S Bank National Association (08/07)
Contact: Steven A. Finklea
5555 San Felipe, Suite 1150
Houston, Texas 77056
Phone: (713) 235-9208
steven.finklea@usbank.com

Wells Fargo Bank Texas, N.A. (6/08)
Austin Office Contact: Greg Stites
400 West 15th, First Floor
Austin, Texas 78701
Phone: (512)344-8640
greg.l.stites@wellsfargo.com

Wells Fargo Bank Texas, N.A. (6/08)
Contact: Sherri H. Owen or Greg Hasty
1445 Ross Avenue, 2nd Floor
Dallas, Texas 75202
Phone: (214) 668-6450
Sherri.h.owen@wellsfargo.com
Phone: (214) 740-1548
greg.hasty@wellsfargo.com

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of a Senior Managing, Co-Senior Managing, Co-Managing and/or Remarketing Agent Investment Banking Firm for Multifamily Mortgage Revenue Bond Transactions.

Requested Action

Approve, Amend or Deny the Recommended Investment Banking Firm Below.

Background

The Department currently has an open Request for Qualifications (RFQ) published on the website. The underwriters are approved on a two year basis and it is time to renew that approval for one firm currently on the Department's approved list. All other firms on the list are not up for renewal at this time. For multifamily bond transactions, the Applicant selects an underwriter from an approved list published by the Department. The underwriter will develop the financial structure (i.e. fixed rate or variable, bond maturities, etc), prepare cash flows, and sell the bonds. If the transaction is privately placed, the placement agent will negotiate the sale to private investors.

The qualifications for Stern Brothers & Co., an investment banking firm currently on the Department's approved list, expires in August 2009. The Department received their Request for Qualifications on May 28, 2009.

After reviewing the qualifications of Stern Brothers & Co., the Department staff recommends that they remain on the Multifamily Bond Approved Underwriters List. Having worked with several issuers in the state, they have demonstrated extensive knowledge and the requisite level of experience required in structuring a variety of bond transactions that would be of value to the clients they serve.

Recommendation

Staff recommends that the Board approve Stern Brothers & Co. as an approved underwriter and that it remain on the Department's approved list.

Senior Managing Underwriters for Multifamily Transactions

Banc of America Securities (6/26/08)
Contact: Robin L. Ginsburg
Contact: Ila Afsharipour
1633 Broadway, 29th Floor
New York, NY 10019
Phone: (212) 497-3854
Fax: (212) 497-3835

Merchant Capital, L.L.C. (6/26/08)
Contact: John Rucker III
Lakeview Center, Suite 400
2660 EastChase Lane
Montgomery, Alabama 36117
Phone: (334) 834-5100
Fax: (334) 269-0902

National Alliance Securities Corporation (6/26/08)
Contact: Brad Phillips
1755 Wittington Place, Suite 320
Dallas, Texas 75234
Phone: (469) 522-4440 ext 103
Fax: (469) 522-4441

Red Capital Markets, Inc. (6/26/08)
Contact: Tracy W. Peters
Two Miranova Place
Columbus, OH 43215
Phone: (614) 857-1656
Fax: (614) 857-9758

Citigroup Global Markets (6/26/08)
Contact: Jerry Wright
611 West 5th Street, 2nd Floor
Austin, Texas 78701
Phone: (512) 320-5325
Fax: (512) 320-5382

Merrill Lynch (New York) (6/26/08)
Contact: Barbara Feldman
Four World Financial Center, 9th Floor
New York, NY 10080
Phone: (212) 449-0620
Fax: (212) 449-7174

PNC Multifamily Capital (6/28/08)
Contact: Thomas Paramore
500 West Jefferson Street
Louisville, KY 40202
Phone: (502) 581-3262
Fax: (502) 581-2602

Wachovia Securities (6/26/08)
Contact: Nora Chavez
Renaissance Plaza
70 Northeast Loop 410
San Antonio, TX 78216
Phone: (210) 384-8873
Fax: (210) 378-1799

George K. Baum & Co. (6/26/08)
Contact: C. Scott Riffle
717 Seventeenth Street, Suite 2500
Denver, CO 80202
Phone: (303) 292-1600
Fax: (303) 293-9054

Morgan Keegan (06/26/08)
Contact: Mark C. O'Brien
5956 Sherry Lane, Suite 1900
Dallas, TX 75225
Phone: (214) 365-5524
Fax: (214) 365-5563

Stern Brothers & Co. (8/23/07)
Contact: Terrence Finn
8000 Maryland Avenue, Suite 800
St. Louis, MO 63105
Phone: (314) 743-4010
Fax: (314) 727-7313

Co-managing Underwriters For Multifamily Transactions

Estrada Hinojosa (6/26/08)
Contact: Robert Estrada
1717 Main Street, Suite 4740
Dallas, TX 75201
Phone: (214) 658-1670
Fax: (214) 658-1671

MULTIFAMILY FINANCE DIVISION
BOARD ACTION REQUEST
JULY 16, 2009

Action Item

Presentation, Discussion and Possible Action on a Memorandum of Understanding (MOU) between the Texas Bond Review Board and the Texas Department of Housing and Community Affairs ("the Department") for the Issuance of 501(c)(3) bonds.

Requested Action

Approve, Amend or Deny the staff recommendation for the Memorandum of Understanding Between the Texas Bond Review Board and the Department which pertains to the Department's 501(c)(3) Multifamily Mortgage Revenue Bond Program.

Background

Section 2306.358 of the Texas Government Code, which defines the parameters of the Department's 501(c)(3) Multifamily Mortgage Revenue Bond program, requires the Department and the Texas Bond Review Board to maintain a Memorandum of Understanding which specifies the maximum amount of 501(c)(3) bonds the Department may issue each year.

This MOU reflects only minor changes to the fiscal year date identified in Section IV. The MOU shall remain in effect until otherwise terminated by either party in writing. However, the dates in the MOU must be approved annually.

Staff Recommendation

Authorize the Executive Director to execute the attached Memorandum of Understanding.

MEMORANDUM OF UNDERSTANDING
BETWEEN
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
AND
TEXAS BOND REVIEW BOARD

This Memorandum of Understanding, ("Memorandum,") is made and entered into between the Texas Department of Housing and Community Affairs ("TDHCA"), an agency of the State of Texas, and the Texas Bond Review Board ("TBRB"), an agency of the State of Texas, to be effective August 1, 2007.

SECTION I.
Purpose

The purpose of this Memorandum is to specify the maximum amount of qualified 501(c)(3) bonds that may be issued by TDHCA in each fiscal year, to define the terms "rural area" and "metropolitan area," and to otherwise comply in all respects with the requirements of the Texas Government Code, Chapter 2306.358 (the "Code").

This Memorandum does not constitute a commitment by the TBRB to approve qualified 501(c)(3) bond applications that are submitted by TDHCA to the TBRB and only serves to specify the maximum amount of qualified 501(c)(3) bonds that may be issued by TDHCA in each fiscal year and to define the terms "rural area" and "metropolitan area".

SECTION II.
Period of Performance, Termination, and Amendments

The provisions of this Memorandum became effective as of August 1, 2007 and shall remain in effect until otherwise terminated by either party in writing with a 30-day written notice of such termination**.** The terms of this Memorandum shall continue in effect, regardless of the termination of this memorandum by either party, for any bond issue that received a formal inducement by TDHCA Board (the "Inducement Resolution") prior to the termination date of this memorandum.

The provisions of this Memorandum may be amended only by written agreement of both parties. In the event it is determined by the parties that this Memorandum is no longer necessary to fulfill the above purposes, the parties shall execute a written termination of this Memorandum in its entirety.

SECTION III.
Definitions

For the purposes of this Memorandum and TDHCA's 501(c)(3) Bond Program, a project is considered to be located in a rural area (§2306.004):

A) if the area on which the project is or is to be constructed is situated outside the boundaries of a Primary Metropolitan Statistical Area ("PMSA") or a

Metropolitan Statistical Area ("MSA") described as such on the attached Exhibit A;

B) if the area on which the project is or is to be constructed is situated within the boundaries of a PMSA or MSA, but has a population of not more than 25,000 and does not share boundaries with an urbanized area; or

C) In an Area that is eligible for funding by Texas Rural Development Office or the United States Department of Agriculture (TRDO-USDA), other than an Area that is located in a municipality with a population of more than 50,000.

If a project is not considered to be located in a rural area as outlined above, then the project will be considered to be located in the applicable metropolitan area for the purposes of this Memorandum and TDHCA's 501(c)(3) Bond Program.

SECTION IV.
Maximum Issuance Authority

During fiscal year 201~~09~~0, the maximum aggregate amount of qualified 501(c)(3) bonds to be issued by TDHCA is two hundred and fifty million dollars ($250,000,000). Based on the allocations outlined in the Act, a minimum of fifteen percent (15%) or $37,500,000 is reserved for projects in rural areas, as defined in Section III. Additionally, no more than twenty five percent (25%) or $62,500,000 may be issued in any one metropolitan area as described on Exhibit A. These figures shall be reviewed annually by both parties in accordance with Texas Government Code §2306.358(b) to determine the maximum amount of bonds to be issued in the upcoming fiscal year. Such determination shall be evidenced by an amendment to this agreement executed by both parties.

For the purposes of allocating a bond issue to a fiscal year for determining limitations and satisfying specific reservations, the date of the formal inducement for each bond issue by TDHCA's Board (the "Inducement Resolution") shall determine the fiscal year that the bond issue will be allocated.

SECTION V.
Reporting Requirements

TDHCA shall submit to the TBRB, on or before the fifteenth day of the month following the end of each calendar quarter, a report of application and issuance activities during the previous calendar quarter.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

_____
Michael G. Gerber, Executive Director
Date: _____

TEXAS BOND REVIEW BOARD

_____
Robert C. Kline, Executive Director
Date: _____

47 TENNESSEE continued

NONMETROPOLITAN COUNTIES

003-Bedford	005-Benton	007-Bledsoe	013-Campbell	017-Carroll
025-Claiborne	027-Clay	029-Cocke	031-Coffee	033-Crockett
035-Cumberland	041-DeKalb	039-Decatur	045-Dyer	049-Fentress
051-Franklin	053-Gibson	055-Giles	059-Greene	061-Grundy
067-Hancock	069-Hardeman	071-Hardin	075-Haywood	077-Henderson
079-Henry	083-Houston	085-Humphreys	087-Jackson	091-Johnson
095-Lake	097-Lauderdale	099-Lawrence	101-Lewis	103-Lincoln
117-Marshall	119-Maury	107-McMinn	109-McNairy	121-Meigs
123-Monroe	127-Moore	129-Morgan	131-Obion	133-Overton
135-Perry	137-Pickett	141-Putnam	143-Rhea	145-Roane
151-Scott	155-Sevier	175-Van Buren	177-Warren	181-Wayne
183-Weakley	185-White			

48 TEXAS

METROPOLITAN AREA	Counties of FMR AREA within STATE
Abilene, TX MSA - 10180	
CBSA: Abilene, TX MSA - METRO10180M10180	059-Callahan, 253-Jones, 441-Taylor
Amarillo, TX MSA - 11100	
CBSA: Amarillo, TX MSA - METRO11100M11100	011-Armstrong, 375-Potter, 381-Randall
SEA: Carson County, TX - METRO11100MM0320	065-Carson
Austin-Round Rock, TX MSA - 12420	
CBSA: Austin-Round Rock, TX MSA - METRO12420M12420	021-Bastrop, 055-Caldwell, 209-Hays, 453-Travis, 491-Williamson
Beaumont-Port Arthur, TX MSA - 13140	
CBSA: Beaumont-Port Arthur, TX MSA - METRO13140M13140	199-Hardin, 245-Jefferson, 361-Orange
Brownsville-Harlingen, TX MSA - 15180	
CBSA: Brownsville-Harlingen, TX MSA - METRO15180M15180	061-Cameron
College Station-Bryan, TX MSA - 17780	
CBSA: College Station-Bryan, TX MSA - METRO17780M17780	041-Brazos, 051-Burleson, 395-Robertson
Corpus Christi, TX MSA - 18580	
SA: Aransas County, TX HMFA - METRO18580N48007	007-Aransas
CBSA: Corpus Christi, TX HMFA - METRO18580M18580	355-Nueces, 409-San Patricio
Dallas-Fort Worth-Arlington, TX MSA - 19100	
CBSA: Dallas, TX HMFA - METRO19100M19100	085-Collin, 113-Dallas, 119-Delta, 121-Denton, 139-Ellis, 231-Hunt, 257-Kaufman, 397-Rockwall
SA: Fort Worth-Arlington, TX HMFA - METRO19100MM2800	251-Johnson, 367-Parker, 439-Tarrant
SA: Wise County, TX HMFA - METRO19100N48497	497-Wise
El Paso, TX MSA - 21340	
CBSA: El Paso, TX MSA - METRO21340M21340	141-El Paso
Houston-Sugar Land-Baytown, TX MSA - 26420	
SA: Austin County, TX HMFA - METRO26420N48015	015-Austin
SA: Brazoria County, TX HMFA - METRO26420MM1145	039-Brazoria
CBSA: Houston-Baytown-Sugar Land, TX HMFA - METRO26420M26420	071-Chambers, 157-Fort Bend, 167-Galveston, 201-Harris, 291-Liberty, 339-Montgomery, 407-San Jacinto, 473-Waller
Killeen-Temple-Fort Hood, TX MSA - 28660	
CBSA: Killeen-Temple-Fort Hood, TX HMFA - METRO28660M28660	027-Bell, 099-Coryell
SA: Lampasas County, TX HMFA - METRO28660N48281	281-Lampasas
Laredo, TX MSA - 29700	
CBSA: Laredo, TX MSA - METRO29700M29700	479-Webb
Longview, TX MSA - 30980	
CBSA: Longview, TX HMFA - METRO30980M30980	183-Gregg, 459-Upshur

48 TEXAS continued

METROPOLITAN AREA	Counties of FMR AREA within STATE
SA: Rusk County, TX HMFA - METRO30980N48401	401-Rusk
Lubbock, TX MSA - 31180	
CBSA: Lubbock, TX MSA - METRO31180M31180	107-Crosby, 303-Lubbock
McAllen-Edinburg-Mission, TX MSA - 32580	
CBSA: McAllen-Edinburg-Mission, TX MSA - METRO32580M32580	215-Hidalgo
Midland, TX MSA - 33260	
CBSA: Midland, TX MSA - METRO33260M33260	329-Midland
Odessa, TX MSA - 36220	
CBSA: Odessa, TX MSA - METRO36220M36220	135-Ector
San Angelo, TX MSA - 41660	
SEA: Irion County, TX - METRO41660MM7200	235-Irion
CBSA: San Angelo, TX MSA - METRO41660M41660	451-Tom Green
San Antonio, TX MSA - 41700	
SA: Atascosa County, TX HMFA - METRO41700N48013	013-Atascosa
SA: Kendall County, TX HMFA - METRO41700N48259	259-Kendall
SA: Medina County, TX HMFA - METRO41700N48325	325-Medina
CBSA: San Antonio, TX HMFA - METRO41700M41700	019-Bandera, 029-Bexar, 091-Comal, 187-Guadalupe, 493-Wilson
Sherman-Denison, TX MSA - 43300	
CBSA: Sherman-Denison, TX MSA - METRO43300M43300	181-Grayson
Texarkana, TX-Texarkana, AR MSA - 45500	
CBSA: Texarkana, TX-Texarkana, AR MSA - METRO45500M45500	037-Bowie
Tyler, TX MSA - 46340	
CBSA: Tyler, TX MSA - METRO46340M46340	423-Smith
Victoria, TX MSA - 47020	
SA: Calhoun County, TX HMFA - METRO47020N48057	057-Calhoun
CBSA: Victoria, TX HMFA - METRO47020M47020	175-Goliad, 469-Victoria
Waco, TX MSA - 47380	
CBSA: Waco, TX MSA - METRO47380M47380	309-McLennan
Wichita Falls, TX MSA - 48660	
CBSA: Wichita Falls, TX MSA - METRO48660M48660	009-Archer, 077-Clay, 485-Wichita

NONMETROPOLITAN COUNTIES

001-Anderson	003-Andrews	005-Angelina	017-Bailey	023-Baylor
025-Bee	031-Blanco	033-Borden	035-Bosque	043-Brewster
045-Briscoe	047-Brooks	049-Brown	053-Burnet	063-Camp
067-Cass	069-Castro	073-Cherokee	075-Childress	079-Cochran
081-Coke	083-Coleman	087-Collingsworth	089-Colorado	093-Comanche
095-Concho	097-Cooke	101-Cottle	103-Crane	105-Crockett
109-Culberson	111-Dallam	115-Dawson	123-DeWitt	117-Deaf Smith
125-Dickens	127-Dimmit	129-Donley	131-Duval	133-Eastland
137-Edwards	143-Erath	145-Falls	147-Fannin	149-Fayette
151-Fisher	153-Floyd	155-Foard	159-Franklin	161-Freestone
163-Frio	165-Gaines	169-Garza	171-Gillespie	173-Glasscock
177-Gonzales	179-Gray	185-Grimes	189-Hale	191-Hall
193-Hamilton	195-Hansford	197-Hardeman	203-Harrison	205-Hartley
207-Haskell	211-Hemphill	213-Henderson	217-Hill	219-Hockley
221-Hood	223-Hopkins	225-Houston	227-Howard	229-Hudspeth
233-Hutchinson	237-Jack	239-Jackson	241-Jasper	243-Jeff Davis
247-Jim Hogg	249-Jim Wells	255-Karnes	261-Kenedy	263-Kent
265-Kerr	267-Kimble	269-King	271-Kinney	273-Kleberg

48 TEXAS continued

----------NONMETROPOLITAN COUNTIES----------

275-Knox	283-La Salle	277-Lamar	279-Lamb	285-Lavaca
287-Lee	289-Leon	293-Limestone	295-Lipscomb	297-Live Oak
299-Llano	301-Loving	305-Lynn	313-Madison	315-Marion
317-Martin	319-Mason	321-Matagorda	323-Maverick	307-McCulloch
311-McMullen	327-Menard	331-Milam	333-Mills	335-Mitchell
337-Montague	341-Moore	343-Morris	345-Motley	347-Nacogdoches
349-Navarro	351-Newton	353-Nolan	357-Ochiltree	359-Oldham
363-Palo Pinto	365-Panola	369-Parmer	371-Pecos	373-Polk
377-Presidio	379-Rains	383-Reagan	385-Real	387-Red River
389-Reeves	391-Refugio	393-Roberts	399-Runnels	403-Sabine
405-San Augustine	411-San Saba	413-Schleicher	415-Scurry	417-Shackelford
419-Shelby	421-Sherman	425-Somervell	427-Starr	429-Stephens
431-Sterling	433-Stonewall	435-Sutton	437-Swisher	443-Terrell
445-Terry	447-Throckmorton	449-Titus	455-Trinity	457-Tyler
461-Upton	463-Uvalde	465-Val Verde	467-Van Zandt	471-Walker
475-Ward	477-Washington	481-Wharton	483-Wheeler	487-Wilbarger
489-Willacy	495-Winkler	499-Wood	501-Yoakum	503-Young
505-Zapata	507-Zavala			

49 UTAH

----------METROPOLITAN AREA----------	---------Counties of FMR AREA within STATE----------
Logan, UT-ID MSA - 30860	
CBSA: Logan, UT-ID MSA - METRO30860M30860	005-Cache
Ogden-Clearfield, UT MSA - 36260	
CBSA: Ogden-Clearfield, UT MSA - METRO36260M36260	011-Davis, 029-Morgan, 057-Weber
Provo-Orem, UT MSA - 39340	
CBSA: Provo-Orem, UT MSA - METRO39340M39340	023-Juab, 049-Utah
Salt Lake City, UT MSA - 41620	
CBSA: Salt Lake City, UT HMFA - METRO41620M41620	035-Salt Lake
SA: Summit County, UT HMFA - METRO41620N49043	043-Summit
SA: Tooele County, UT HMFA - METRO41620N49045	045-Tooele
St. George, UT MSA - 41100	
CBSA: St. George, UT MSA - METRO41100M41100	053-Washington

----------NONMETROPOLITAN COUNTIES----------

001-Beaver	003-Box Elder	007-Carbon	009-Daggett	013-Duchesne
015-Emery	017-Garfield	019-Grand	021-Iron	025-Kane
027-Millard	031-Piute	033-Rich	037-San Juan	039-Sanpete
041-Sevier	047-Uintah	051-Wasatch	055-Wayne	

50 VERMONT

----------METROPOLITAN AREA----------	----------Components of FMR AREA within STATE----------
Burlington-South Burlington, VT MSA - 15540	
CBSA: Burlington-South Burlington, VT MSA - METRO15540M15540	
007-Chittenden County, VT	Bolton town, Buels gore, Burlington city, Charlotte town,

COMMUNITY AFFAIRS DIVISION
SECTION 8 PROGRAM

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion and Possible Approval for Section 8 Program 5-Year and 2010 Annual Public Housing Agency (PHA) Plan.

Required Action

Staff recommends approval of the proposed 5-Year and 2010 Annual PHA Plan for the Texas Department of Housing and Community Affairs (Department) Section 8 Program written in compliance with 42 U.S.C.1437(c-1) (a) and (b).

Background

Section 511 of the Quality Housing and Work Responsibility Act of 1998 created the requirement for submission of public housing agency plans. The PHA Plan is a guide to public housing agency (PHA) policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the 5-Year Plan and the Annual Plan.

The 5-Year Plan, which each PHA reviews and updates once every 5th fiscal year, describes the mission of the agency and the long range goals and objectives for achieving the mission over the subsequent 5 years. The Annual Plan, which is prepared and submitted to HUD every year, provides information about program operations and services for the upcoming fiscal year. The plan indicates an increase of Project Access vouchers from 50 to 60.

To ensure public participation, the Department will appoint a Resident Advisory Board, which will consist of all tenants with active Section 8 contracts, to review and comment on the proposed 5-Year/2010 Annual Plan. The Plans will also be available for review at the Department's Administration Office on weekdays between 8:00 am and 4:30 pm; the Local Operator offices; and the Department's website at: www.tdhca.state.tx.us.

Upon Board approval the Department will publish a notice forty-five days prior to scheduling a public hearing to receive further public comments. If there are no comments, the plan will be submitted to HUD. If there are comments, the plan will be resubmitted back to the Board for final approval.

Recommendation

Approve 5-Year and 2010 Annual PHA Plan as presented by staff.

PROPOSED DRAFT

PHA 5-Year and Annual Plan	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 4/30/2011

1.0 PHA Information

PHA Name: _____**Texas Department of Housing and Community Affairs**_____ PHA Code: **_TX901_**

PHA Type: ☐ Small ☒ High Performing ☐ Standard ☒ HCV (Section 8)

PHA Fiscal Year Beginning: (MM/YYYY): **__01/2010**_____

2.0 Inventory (based on ACC units at time of FY beginning in 1.0 above)

Number of PH units: ___**N/A**_____ Number of HCV units: **_1540**_____

3.0 Submission Type

☒ 5-Year and Annual Plan ☐ Annual Plan Only ☐ 5-Year Plan Only

4.0 PHA Consortia ☐ PHA Consortia: (Check box if submitting a joint Plan and complete table below.) **N/A**

Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program	
				PH	HCV
PHA 1:					
PHA 2:					
PHA 3:					

5.0 5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.

5.1 Mission. State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years:

The mission of the Section 8 Housing Choice Voucher Program is to provide financial rental assistance on behalf of low income individuals and families, including the elderly and persons with disabilities, for decent, safe, sanitary and affordable housing.

5.2 Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

1. **Promote the overall goal of decent, safe and sanitary housing by utilizing the program to house eligible families in private rental housing.**
2. **Provide improved living conditions for low income families while maintaining their rent payments at an affordable level.**
3. **Promote freedom of housing choice and integrated housing for low income and minority families.**
4. **Provide an incentive to private property owners to rent to lower income families by providing timely assistance payments.**
5. **Continue to assess and improve administrative processes and procedures.**

6.0 PHA Plan Update

(a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission: **N/A**

(b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.

Main administrative office

TDHCA Website

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers. *Include statements related to these programs as applicable.*

N/A

8.0 Capital Improvements. Please complete Parts 8.1 through 8.3, as applicable.

N/A

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. As part of the PHA 5-Year and Annual Plan, annually complete and submit **t**he *Capital Fund Program Annual Statement/Performance and Evaluation Report,* form HUD-50075.1, for each current and open CFP grant and CFFP financing.

N/A

8.2 Capital Fund Program Five-Year Action Plan. As part of the submission of the Annual Plan, PHAs must complete and submit the *Capital Fund Program Five-Year Action Plan,* form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.

N/A

8.3 Capital Fund Financing Program (CFFP).

☐ Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.

N/A

9.0

Housing Needs. Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location

Housing Need Analysis – Section 8
May 2009

When analyzing local housing markets and developing strategies for meeting housing problems, HUD suggests the consideration of several factors. These factors include how much a household spends on housing costs, the physical condition of the housing and whether or not the household is overcrowded.

An excess cost burden is identified when a household pays more than 30 percent of its gross income for housing costs. When so much is spent on housing, other basic household needs may suffer.

The measure of physical inadequacy is the number of units lacking complete kitchen and/or plumbing facilities. While this is not a complete measure of physical inadequacy, the lack of plumbing and/or kitchen facilities can serve as a strong indication of one type of housing inadequacy.

Overcrowded housing conditions occur when a residence accommodates more than one person per each room in the dwelling. Overcrowding may indicate a general lack of affordable housing in a community where households have been forced to share space, either because other housing units are not available or because the units available are too expensive.

The following table reveals the number of low-income households with housing need in the TDHCA Section 8 service area. The figures are adjusted to 2008 levels based on population growth estimates.

	Number
Population	287,162
Number of Individuals in Poverty	38,739
Number of Cost Burdened Households	8,616
Number of Overcrowded Households	2,545
Number of Substandard Housing Units	425

Source: CHAS data, Census data, TDHCA

The TDHCA waiting list consists of 839 applications. This waiting list figure is a composite of several statewide jurisdictional waiting lists.

9.1

Strategy for Addressing Housing Needs. Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.**

Maintain or increase lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction.
Maintain or increase lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of the program.
Program staff and Local Operators will continue marketing the program to the local Chamber of Commerce, real estate agencies and apartment associations.

10.0	**Additional Information**. Describe the following, as well as any additional information HUD has requested. (a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan. **The Department will continue to strive for maximum utilization of Section 8 vouchers in areas served by the state program.** • **Administrative processes have been updated to ensure landlord and tenant payments are processed and paid in a timely manner.** • **Throughout the state jurisdiction payment standards have been established to enable families to rent decent and affordable housing.** • **A Notice of Disaster Preference has been established to allow the Department to provide housing choice vouchers to individuals and families in our program area that are impacted by a disaster, which will include, but not be limited to, communities with a disaster declaration or documented extenuating circumstances such as imminent threat to health and safety.** • **TDHCA utilizes 50 Project Access Housing Choice Vouchers to assist low-income non-elderly persons with disabilities in transitioning from institutions into the community by providing access to affordable housing. The allocation will be increased to 60 beginning Calendar Year 2010.** **The Department is taking, and will continue to take, the necessary steps required to develop and implement procedures that will demonstrate our determination to ensure compliance with Section 8 program requirements. TDHCA will continue exploring ways to make additional safe, sanitary and decent housing available in some of the smaller areas which do not have adequate housing stock. The Department will also continue to work closely with the State's local PHAs to address the affordable housing needs of the citizens of Texas.** (b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA's definition of "significant amendment" and "substantial deviation/modification" • **Changes to rent or admissions policies or organization of the waiting list;** • **Addition of new activities not presently in the plan;** **TDHCA will submit a revised plan that has met full public process requirements. The amendment or modification may not be implemented until approved by HUD.**
11.0	**Required Submission for HUD Field Office Review**. In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. **Note:** Faxed copies of these documents will not be accepted by the Field Office. (a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations* (which includes all certifications relating to Civil Rights) (b) Form HUD-50070, *Certification for a Drug-Free Workplace* (PHAs receiving CFP grants only) (c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions* (PHAs receiving CFP grants only) (d) Form SF-LLL, *Disclosure of Lobbying Activities* (PHAs receiving CFP grants only) (e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet* (PHAs receiving CFP grants only) (f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations. (g) Challenged Elements (h) Form HUD-50075.1, *Capital Fund Program Annual Statement/Performance and Evaluation Report* (PHAs receiving CFP grants only) (i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan* (PHAs receiving CFP grants only)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. The 5-Year and Annual PHA plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Instructions form HUD-50075

Applicability. This form is to be used by all Public Housing Agencies (PHAs) with Fiscal Year beginning April 1, 2008 for the submission of their 5-Year and Annual Plan in accordance with 24 CFR Part 903. The previous version may be used only through April 30, 2008.

1.0 PHA Information
Include the full PHA name, PHA code, PHA type, and PHA Fiscal Year Beginning (MM/YYYY).

2.0 Inventory
Under each program, enter the number of Annual Contributions Contract (ACC) Public Housing (PH) and Section 8 units (HCV).

3.0 Submission Type
Indicate whether this submission is for an Annual and Five Year Plan, Annual Plan only, or 5-Year Plan only.

4.0 PHA Consortia
Check box if submitting a Joint PHA Plan and complete the table.

5.0 Five-Year Plan
Identify the PHA's Mission, Goals and/or Objectives (24 CFR 903.6). Complete only at 5-Year update.

5.1 Mission. A statement of the mission of the public housing agency for serving the needs of low-income, very low-income, and extremely low-income families in the jurisdiction of the PHA during the years covered under the plan**.**

5.2 Goals and Objectives. Identify quantifiable goals and objectives that will enable the PHA to serve the needs of low income, very low-income, and extremely low-income families.

6.0 PHA Plan Update. In addition to the items captured in the Plan template, PHAs must have the elements listed below readily available to the public. Additionally, a PHA must:

(a) Identify specifically which plan elements have been revised since the PHA's prior plan submission.

(b) Identify where the 5-Year and Annual Plan may be obtained by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central off ice of the PHA. PHAs are strongly encouraged to post complete PHA Plans on its official website. PHAs are also encouraged to provide each resident council a copy of its 5-Year and Annual Plan.

PHA Plan Elements. (24 CFR 903.7)

1. **Eligibility, Selection and Admissions Policies, including Deconcentration and Wait List Procedures.** Describe the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for both public housing and HCV and unit assignment policies for public housing; and procedures for maintaining waiting lists for admission to public housing and address any site-based waiting lists.

2. **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA Operating, Capital and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support public housing or tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources.

3. **Rent Determination.** A statement of the policies of the PHA governing rents charged for public housing and HCV dwelling units.

4. **Operation and Management.** A statement of the rules, standards, and policies of the PHA governing maintenance management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including cockroaches), and management of the PHA and programs of the PHA.

5. **Grievance Procedures.** A description of the grievance and informal hearing and review procedures that the PHA makes available to its residents and applicants.

6. **Designated Housing for Elderly and Disabled Families.** With respect to public housing projects owned, assisted, or operated by the PHA, describe any projects (or portions thereof), in the upcoming fiscal year, that the PHA has designated or will apply for designation for occupancy by elderly and disabled families. The description shall include the following information: **1**) development name and number; **2**) designation type; **3**) application status; **4**) date the designation was approved, submitted, or planned for submission, and; **5**) the number of units affected.

7. **Community Service and Self-Sufficiency.** A description of: **(1)** Any programs relating to services and amenities provided or offered to assisted families; **(2)** Any policies or programs of the PHA for the enhancement of the economic and social self-sufficiency of assisted families, including programs under Section 3 and FSS; **(3)** How the PHA will comply with the requirements of community service and treatment of income changes resulting from welfare program requirements. **(Note: applies to only public housing).**

8. **Safety and Crime Prevention.** For public housing only, describe the PHA's plan for safety and crime prevention to ensure the safety of the public housing residents. The statement must include: (i) A description of the need for measures to ensure the safety of public housing residents; (ii) A description of any crime prevention activities conducted or to be conducted by the PHA; and (iii) A description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities.

9. **Pets.** A statement describing the PHAs policies and requirements pertaining to the ownership of pets in public housing.

10. **Civil Rights Certification.** A PHA will be considered in compliance with the Civil Rights and AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction.

11. **Fiscal Year Audit.** The results of the most recent fiscal year audit for the PHA.

12. **Asset Management.** A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

13. **Violence Against Women Act (VAWA).** A description of: **1)** Any activities, services, or programs provided or offered by an agency, either directly or in partnership with other service providers, to child or adult victims of domestic violence, dating violence, sexual assault, or stalking; **2)** Any activities, services, or programs provided or offered by a PHA that helps child and adult victims of domestic violence, dating violence, sexual assault, or stalking, to obtain or maintain housing; and **3)** Any activities, services, or programs provided or offered by a public housing agency to prevent domestic violence, dating violence, sexual assault, and stalking, or to enhance victim safety in assisted families.

7.0 Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers

(a) Hope VI or Mixed Finance Modernization or Development. **1)** A description of any housing (including project number (if known) and unit count) for which the PHA will apply for HOPE VI or Mixed Finance Modernization or Development; and **2)** A timetable for the submission of applications or proposals. The application and approval process for Hope VI, Mixed Finance Modernization or Development, is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm

(b) Demolition and/or Disposition. With respect to public housing projects owned by the PHA and subject to ACCs under the Act: **(1)** A description of any housing (including project number and unit numbers [or addresses]), and the number of affected units along with their sizes and accessibility features) for which the PHA will apply or is currently pending for demolition or disposition; and **(2)** A timetable for the demolition or disposition. The application and approval process for demolition and/or disposition is a separate process. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/demo_dispo/index.cfm
Note: This statement must be submitted to the extent **that approved and/or pending** demolition and/or disposition has changed.

(c) Conversion of Public Housing. With respect to public housing owned by a PHA: **1)** A description of any building or buildings (including project number and unit count) that the PHA is required to convert to tenant-based assistance or that the public housing agency plans to voluntarily convert; **2)** An analysis of the projects or buildings required to be converted; and **3)** A statement of the amount of assistance received under this chapter to be used for rental assistance or other housing assistance in connection with such conversion. See guidance on HUD's website at: http://www.hud.gov/offices/pih/centers/sac/conversion.cfm

(d) Homeownership. A description of any homeownership (including project number and unit count) administered by the agency or for which the PHA has applied or will apply for approval.

(e) Project-based Vouchers. If the PHA wishes to use the project-based voucher program, a statement of the projected number of project-based units and general locations and how project basing would be consistent with its PHA Plan.

8.0 Capital Improvements. This section provides information on a PHA's Capital Fund Program. With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects must be completed along with the required forms. Items identified in 8.1 through 8.3, must be signed where directed and transmitted electronically along with the PHA's Annual Plan submission.

8.1 Capital Fund Program Annual Statement/Performance and Evaluation Report. PHAs must complete the *Capital Fund Program Annual Statement/Performance and Evaluation Report* (form HUD-50075.1), for each Capital Fund Program (CFP) to be undertaken with the current year's CFP funds or with CFFP proceeds. Additionally, the form shall be used for the following purposes:

(a) To submit the initial budget for a new grant or CFFP;

(b) To report on the Performance and Evaluation Report progress on any open grants previously funded or CFFP; and

(c) To record a budget revision on a previously approved open grant or CFFP, e.g., additions or deletions of work items, modification of budgeted amounts that have been undertaken since the submission of the last Annual Plan. The Capital Fund Program Annual Statement/Performance and Evaluation Report must be submitted annually.

Additionally, PHAs shall complete the Performance and Evaluation Report section (see footnote 2) of the *Capital Fund Program Annual Statement/Performance and Evaluation* (form HUD-50075.1), at the following times:

1. At the end of the program year; until the program is completed or all funds are expended;

2. When revisions to the Annual Statement are made, which do not require prior HUD approval, (e.g., expenditures for emergency work, revisions resulting from the PHAs application of fungibility); and

3. Upon completion or termination of the activities funded in a specific capital fund program year.

8.2 Capital Fund Program Five-Year Action Plan

PHAs must submit the *Capital Fund Program Five-Year Action Plan* (form HUD-50075.2) for the entire PHA portfolio for the first year of participation in the CFP and annual update thereafter to eliminate the previous year and to add a new fifth year (rolling basis) so that the form always covers the present five-year period beginning with the current year.

8.3 Capital Fund Financing Program (CFFP). Separate, written HUD approval is required if the PHA proposes to pledge any

portion of its CFP/RHF funds to repay debt incurred to finance capital improvements. The PHA must identify in its Annual and 5-year capital plans the amount of the annual payments required to service the debt. The PHA must also submit an annual statement detailing the use of the CFFP proceeds. See guidance on HUD's website at:
http://www.hud.gov/offices/pih/programs/ph/capfund/cffp.cfm

9.0 Housing Needs. Provide a statement of the housing needs of families residing in the jurisdiction served by the PHA and the means by which the PHA intends, to the maximum extent practicable, to address those needs. **(Note:** Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

9.1 Strategy for Addressing Housing Needs. Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. **(Note:** Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).

10.0 Additional Information. Describe the following, as well as any additional information requested by HUD:

(a) Progress in Meeting Mission and Goals. PHAs must include (i) a statement of the PHAs progress in meeting the mission and goals described in the 5-Year Plan; (ii) the basic criteria the PHA will use for determining a significant amendment from its 5-year Plan; and a significant amendment or modification to its 5-Year Plan and Annual Plan**. (Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan).**

(b) Significant Amendment and Substantial Deviation/Modification. PHA must provide the definition of "significant amendment" and "substantial deviation/modification". **(Note: Standard and Troubled PHAs complete annually; Small and High Performers complete only for Annual Plan submitted with the 5-Year Plan.)**

(c) PHAs must include or reference any applicable memorandum of agreement with HUD or any plan to improve performance. **(Note: Standard and Troubled PHAs complete annually).**

11.0 Required Submission for HUD Field Office Review. In order to be a complete package, PHAs must submit items (a) through (g), with signature by mail or electronically with scanned signatures. Items (h) and (i) shall be submitted electronically as an attachment to the PHA Plan.

(a) Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulations*

(b) Form HUD-50070, *Certification for a Drug-Free Workplace* **(PHAs receiving CFP grants only)**

(c) Form HUD-50071, *Certification of Payments to Influence Federal Transactions* **(PHAs receiving CFP grants only)**

(d) Form SF-LLL, *Disclosure of Lobbying Activities* **(PHAs receiving CFP grants only)**

(e) Form SF-LLL-A, *Disclosure of Lobbying Activities Continuation Sheet* **(PHAs receiving CFP grants only)**

(f) Resident Advisory Board (RAB) comments.

(g) Challenged Elements. Include any element(s) of the PHA Plan that is challenged.

(h) Form HUD-50075.1**, *Capital Fund Program Annual Statement/Performance and Evaluation Report* (Must be attached electronically for PHAs receiving CFP grants only).** See instructions in 8.1.

(i) Form HUD-50075.2, *Capital Fund Program Five-Year Action Plan* **(Must be attached electronically for PHAs receiving CFP grants only).** See instructions in 8.2.

BOND FINANCE DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Items

Presentation, Discussion and Approval of a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

Required Action

Approve issuing a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

Background

In the bond market, a syndicate of bankers is needed to market bond structures. The number of bonds available for sale typically dictates the size of the syndicate needed at the time of pricing. With TDHCA's structures at or over $100 million, a pool of bankers which include the Senior Underwriting Manager, Co-Senior Manager and four Co-Managers have previously been successful in marketing the Department's bonds.

On March 10, 2005, the TDHCA Board selected three investment banking firms to provide single family bond underwriting services as Senior Manager for TDHCA. On May 26, 2005, the TDHCA Board selected three investment banking firms for the role of Co-Senior Manager from a pool of fifteen Co-Managers in conjunction with the sale of TDHCA's single family mortgage revenue bonds.

Staff is recommending a change that will allow the Board to select four Senior Managers that will work as Underwriters in structuring our bonds and eight Co-Managers that will work in conjunction with the sale of TDHCA's single family mortgage revenue bonds. By selecting four Senior Managers, TDHCA will have a broader base to help diversify our underwriting position. To ensure synergy, the next Senior Manager in the rotation will be the Co-Senior Manager for the proposed bond structure. Both the Senior Manager and Co-Manager will work in rotation. The eight Co-Managers will be divided into two groups of four in a rotation to help market our bonds.

The responses in the RFP will be reviewed, analyzed, and scored by Bond Finance staff and TDHCA's Financial Advisor, RBC Capital Markets, before coming back to the TDHCA Board for oral presentations at the September 2, 2009 Board Meeting.

The following table provides certain key dates.

Program Designation	RFP Key Dates
TDHCA Board Approval of RFP	July 16, 2009
Publish RFP in Texas Register, Bond Buyer, Marketplace	July 24, 2009
RFP Responses Due	August 7, 2009
Oral Presentation to the TDHCA Board	September 2, 2009
TDHCA Board Approval of Senior Managers and Co-Managers	September 3, 2009

The attached RFP for Underwriter Services lists the scope of services requested in connection with this assignment. The selected Senior Managers and Co-Managers will work with the Board of Directors and TDHCA's staff to structure, market and sell TDHCA single family mortgage revenue bonds.

Recommendation

Approve issuing a Request for Proposal ("RFP") for investment banking firms interested in providing investment banking services as Senior Manager and Co-Manager for one or more proposed single family mortgage revenue bonds starting in fiscal year 2010.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

REQUEST FOR PROPOSAL ("RFP") #332-RFP9-9009
FOR INVESTMENT BANKING/UNDERWRITING SERVICES

I. Purpose of Request

The Texas Department of Housing and Community Affairs ("TDHCA") is issuing this request for proposal (RFP) from investment banking firms interested in providing investment banking services from time to time as Senior Manager or Co-Manager for one or more of its proposed single family mortgage revenue bond new issues and/or refundings. TDHCA desires to revise its list of approved underwriters from which to select its underwriting team for specific municipal bond issues as financing opportunities arise. TDHCA reserves the right to select a team for any particular financing project, from the approved list of Senior Managers and Co-Managers with any combination or number of participants.

Four Senior Managers will be selected and work in rotation as Underwriter in structuring cash flows for our bonds. Eight Co-Managers will be selected (two groups of four in rotation) and will work in conjunction with the sale of TDHCA's single family mortgage revenue bonds. Both the Senior Manager and Co-Manager will work in rotation. To ensure synergy, the next Senior Manager in the rotation will be the Co-Senior Manager for the proposed bond structure.

Selected firms for Senior Managers and Co-Managers will begin rotations in fiscal year 2010.

II. Deadline for Responses And Other Information

Response Due: Friday, August 7, 2009 4:00 P.M. C.D.T.

TDHCA will not be bound by any oral statement or representation contrary to the written specifications of this RFP.

No proposal received after the deadline will be considered. Only electronic responses will be accepted. TDHCA further reserves the right to negotiate individual elements of a firm's proposal.

All responses must be complete as to all terms and conditions, on the date submitted. Additional information submitted after the response or separate from the response for purposes of clarification, explanation, interpretation, or annotation will not be considered by TDHCA unless specifically requested by TDHCA and then only to the extent requested.

In releasing this RFP, TDHCA shall not be obligated to proceed with any action on the RFP and may decide it is in TDHCA's best interest to refrain from pursuing an approval process. TDHCA reserves and may, at any time, exercise the right to 1) reject any or all responses to this RFP, or 2) waive, in writing, minor irregularities in submitted responses. Any written waiver exercised under this section will in no way modify any provision of this RFP.

With the exception of certain written communications allowed under Section VI, investment banking firms, or any representative of the firm, responding to the RFP must refrain from <u>any</u> contact or communication with members of the Board of Directors or with any TDHCA staff as to the selection of firms pursuant to this RFP. A DETERMINATION BY THE BOARD THAT A VIOLATION OF THIS POLICY HAS OCCURRED WILL BE GROUNDS FOR DISQUALIFICATION OF A FIRM'S PROPOSAL.

III. Delivery of Responses

Responses must be submitted through email, in the form of a Microsoft Word or Adobe PDF attachment, to the email address listed below. Electronic ZIP files and delivery via fax will not be accepted. The subject line of the email must contain the following text, with no additional characters**: TDHCA Underwriting RFP.** If the response consists of several files, they must be combined into a single attachment prior to submission; the only exception is outlined under Financial Condition.

Submission emails with attachments must be received by Heather Hodnett as indicated below by 4:00 p.m. central daylight time on August 7, 2009. Responders are encouraged to contact Heather Hodnett at TDHCA prior to the submission deadline to confirm TDHCA's receipt of their proposal.

Texas Department of Housing and Community Affairs

Attention: Heather Hodnett
Phone: 512-475-1899
heather.hodnett@tdhca.state.tx.us

IV. TDHCA Board Review and Oral Presentations

Firms that have responded to this RFP may be asked to make oral presentations at a meeting of TDHCA's Board. In such event, those firms will be given not less than three (3) business days notice along with the date, time and place for such oral presentation. The Board will select four Senior Managers and eight Co-Managers at the September 3, 2009 TDHCA Board Meeting based on recommendations from the review team and oral presentation.

V. Response Format

- Identify at the beginning of your response if you are applying for the position of Senior Manager or Co-Manager. If you are applying for a Senior Manager position, you also will be considered for the position of Co-Manager. If you are applying for a Co-Manager position, you do not need to answer questions D-1, D-2, or D-4.

- Each question in this Section V should be specifically addressed or the reason no response was given should be indicated.

- Responses should be submitted by individual firms only.

- Responses should be limited to the information requested by TDHCA in this RFP and should be no longer than 30 pages. Do not submit any additional information, such as attachments or appendices, not requested by TDHCA. TDHCA will consider only the information for which a response has been requested. As referenced in Section V Paragraph G Financial Condition, the request for your firm's financial information will not be considered part of the above referenced page limitation.

- Identify the question being answered in the introduction to each response.

- **Do not include multi-family mortgage revenue bond transactions in your response to this question or any question in this RFP.**

A. Overview of Firm

Provide an overview of your firm. Describe, in general terms, your firm's organizational structure and provide the location of your headquarters. Include information describing your firm's municipal bond underwriting operation. Please provide a general overview of your company's policy on background checks of employees and how your company handles confidential documents.

Indicate the desired underwriting role that your firm is applying for.

B. Distribution Capabilities

Provide the following information:

1. Number of professionals (analyst level or above) specializing in public finance.
2. Indicate whether or not your firm has a separate and distinct housing finance group.
3. Number of professionals (analyst level or above) specializing in housing finance.
4. Number of Retail Municipal Bond Salespeople.
5. Number of Institutional Municipal Bond Salespeople.
6. Number of Taxable Municipal Bond Salespeople.
7. Number of Institutional Mortgage-Backed Securities Salespeople.
8. Number of underwriters that would handle TDHCA's account.
9. Location(s) of underwriting office(s) that would handle TDHCA's account

C. Experience

1. Senior Manager, Co-Senior Manager and Co-Manager Experience: For the current year and the past three calendar years (**2006, 2007 and 2008**), list in table format the firm's experience as underwriter with negotiated, new money and refunding single family mortgage revenue bond transactions. *Please list experience for the role for which your firm is applying.*

   This information should be provided in **table format** with the column headings across the top in order from left to right. Please total each category and/or column by year and show an overall total. Use the column headings provided below for your response. (These items should be included as an attachment or appendix and will not be considered part of the page limitation.)

   Column Headings

   Date of Issue
   Name of Issuer
   Issue Description
   Issue Amount (Principal Amount ($) and Lendable Proceeds Amount ($))
   Amount of New Money Included in Issue Amount
   Role in Transaction (Senior Manager, Co-Senior Manager or Co-Manager)
   Management Fee
   Takedown
   Expenses
   Risk
   Total Gross Spread
   Any Other Fees Outside the Transaction (Swap Fees, etc.)
   Participation %

2. State Housing Agency Clients. Indicate state housing agencies where your firm currently and actively serves as senior manager, co-senior manager or co-manager for the sale of negotiated, new money and refunding single family mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, affiliation, address, telephone number, and email address. Each firm responding shall be deemed to have authorized TDHCA to contact all such state housing agency references. TDHCA also reserves the right to independently contact any other references as deemed necessary. Use the format provided below for your response.

State HFA	***Role***	***Date Hired***	***Reference Information***

3. Local Housing Issuer Clients in Texas. Indicate local housing issuer clients in Texas where your firm currently and actively serves as senior manager, co-senior manager or co-manager for the sale of negotiated, new money and refunding single family mortgage revenue bond transactions. Indicate when you were hired and provide a reference. Provide each reference's name, title, affiliation, address, telephone number, and email address. Each firm responding shall be deemed to have authorized TDHCA to contact all such local housing issuer references. TDHCA also reserves the right to independently contact these and other references. Use the format provided below for your response.

Local Housing Agency	***Role***	***Date Hired***	***Reference Information***

4. Innovativeness. Discuss your firm's creativity and innovativeness in developing solutions that could add value to TDHCA's capital market initiative.

D. Other Qualifications (for Senior and Co-Senior Managers only)

1. Senior Manager and Co-Senior Manager Quantitative Capabilities. Discuss your firm's computer capabilities in structuring housing bond issues and cash flows. Identify your firm's current housing software. Indicate through narrative and on a percentage basis, your firm's use of external consultants to conduct your housing related quantitative analysis.

2. Taxable Capabilities. TDHCA is interested in pursuing tax-exempt/taxable single family bond financings. Provide the par amount of taxable single family bonds managed in the current year and in calendar years 2006, 2007 and 2008 (Full Credit to Senior Manager). Also provide the par amount of taxable single family bonds managed in the current year and calendar years 2006, 2007 and 2008 (Full Credit to Each Manager). Indicate whether your firm maintains a separate and distinct taxable municipal bond group. Use the format provided below for your response.

	Full Credit to Senior Manager	***Full Credit to Each Manager***
2006	**$**	**$**
2007	**$**	**$**
2008	**$**	**$**
2009	**$**	**$**
Total	**$**	**$**

3. Mortgage-Backed Securities Sales and Trading Capabilities. Describe your firm's mortgage-backed securities sales and trading operations.

   Provide the overall par amount of agency certificates/whole loans your firm has sold as senior manager, co-senior manager or co-manager in the current year and in calendar years 2006, 2007 and 2008 as a result of new money offering, refunding or restructuring single family mortgage revenue bond issues. Indicate whether your firm maintains a separate and distinct mortgage-backed securities sales and trading group. Use the format provided below for your response.

	Senior Manager	***Co-Senior Manager***	***Co-Manager***
2006	**$**	**$**	**$**
2007	**$**	**$**	**$**
2008	**$**	**$**	**$**
2009	**$**	**$**	**$**
Total	**$**	**$**	**$**

4. Variable Rate Demand Bonds, Auction Rate Bonds and Interest Rate Swaps. Describe your firm's experience with Variable Rate Demand Bonds, Auction Rate Bonds and Interest Rate Swaps for single family mortgage revenue bonds. Please indicate whether your firm executes interest rate swap transactions on a principal or agent basis. Provide the notional amount of such products your firm managed as senior manager, co-senior manager or co-manager during the current year and in 2006, 2007 and 2008 (single family mortgage revenue bonds only). Please provide totals for each product for each year. Use the format provided below for your response.

	Variable Rate Demand Bonds	***Auction Rate Bonds***	***Interest Rate Swaps (par)***	***Interest Rate Swaps (notional)***
2006	**$**	**$**	**$**	**$**
2007	**$**	**$**	**$**	**$**
2008	**$**	**$**	**$**	**$**
2009	**$**	**$**	**$**	**$**
Total	**$**	**$**	**$**	**$**

E. Personnel

Provide names, titles, brief resumes and office location of the persons to be assigned to this account. Specifically, indicate the capacity of the persons assigned to this account as that of a relationship banker, a technical banker or an analyst.

List, on an individual basis by banker, other clients served by the personnel assigned to TDHCA's team.

F. Litigation

Describe any litigation, arbitration, or other actions current, pending, or past against the firm arising from the firm's involvement in municipal or public purpose debt. **Please indicate your willingness to provide additional information on any litigation pending against your firm should TDHCA request it.**

G. Financial Condition

Provide a copy of your firm's most recent annual audited financial statements. **Provide a recent copy** of your firm's FOCUS I or FOCUS IIa report or provide your capital **and** net capital calculated as of December 31, 2008 pursuant to SEC Rule 15c3-1. **Failure to provide this information will result in the disqualification of your response**. (These items should be included as an attachment or appendix and will not be considered part of the page limitation.)

H. Ratings

Please indicate your firm's short- and long-term ratings from Standard & Poor's, Moody's and Fitch.

VI. Program Information

To obtain further information about the TDHCA Single Family Bond Program or this RFP, please email your request to the attention of Heather Hodnett at heather.hodnett@tdhca.state.tx.us or visit the Bond Finance Division web page at www.tdhca.state.tx.us. The Bond Finance Division will post questions received and answers on its web page for review by all respondents.

VII. Texas Public Information Act

Notwithstanding any provisions of this RFP to the contrary, a firm understands that TDHCA will comply upon request after the Board has approved the selection of firms for its list of underwriters in accordance with the Texas Public Information Act, Chapter 552 of the Government Code (the "Act") as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas. Information, documentation, and other material in connection with this RFP may be subject to public disclosure pursuant to the Texas Public Information Act. Within three (3) days of receipt, firms will refer to TDHCA any third party requests that are received, for which firm has access as a result of or in the course of performance under this RFP. Any part of the RFP response that is of a confidential or proprietary nature must be clearly and prominently marked as such by the firm.

VIII. Cost Incurred in Responding

All costs directly or indirectly related to preparation of a response to this RFP or any oral presentation required to supplement and/or clarify the RFP which may be required by TDHCA shall be the sole responsibility of and shall be borne by your firm.

IX. Historically Underutilized Businesses

Since 1992, TDHCA has provided outreach assistance to all vendors interested in doing business with our Agency. Through TDHCA's Historically Underutilized Business (HUB) Plan, it is our intent to increase the HUB participation in all facets of procurement. TDHCA encourages all vendors eligible for HUB certification to take part in opportunities with TDHCA. You may access the Comptroller of Public Accounts at www.cpa.state.tx.us/procurement/prog/hub/ for information on becoming a certified HUB. If you will be subcontracting services to a HUB vendor, please see the Comptroller's web site at www.cpa.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/ for the HUB Subcontracting Plan.

X. Right to Audit

Pursuant to Section 2262.003 of the Texas Government Code, the state auditor may conduct an audit or investigation of the bidder or any other entity or person receiving funds from the state directly under this contract or indirectly through a subcontract under this contract. The acceptance of funds by the bidder or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit

committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the bidder or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Bidder will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract it awards.

XI. Conflict of Interest

Under Section 2155.003 of the Texas Government Code, a TDHCA employee may not have an interest in, or in any manner be connected with a contract or bid for a purchase of goods or services by an agency of the state; or in any manner, including by rebate or gift, accept or receive from a person to whom a contract may be awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation. Bidder represents and warrants that it has no actual or potential conflicts of interest in providing the requested services to TDHCA and any resulting contract, if any, would not reasonably create an appearance of impropriety.

XII. Cancellation

TDHCA reserves the right to accept or reject any (or all) proposals under this RFP. The information contained in this RFP is intended to serve only as a general description of the services sought by TDHCA. In releasing this RFP, TDHCA is not obligated to proceed with any action, and may decide it is in the Department's best interest to discontinue consideration of services. TDHCA reserves the right, with 30 days written notice, to cancel any contract awarded under the terms of this RFP.

XIII. Indemnification

The Vendor shall defend, indemnify, and hold harmless the State of Texas, its officers, and employees, and TDHCA, it's officers, and employees and contractors, from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including without limitation attorneys' fees and court costs, arising out of, connected with, or resulting from any acts or omissions of vendor or any agent, employee, subcontractor, or vendor in the execution or performance of any contract with vendor resulting from this RFP. Vendor shall coordinate its defense with the Texas Attorney General as requested by TDHCA. This section is not intended to and shall not be construed to require vendor to indemnify or hold harmless the state or TDHCA for any claims or liabilities resulting form the negligent acts or omissions of TDHCA or its employees.

XIV. Dispute Resolution

The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by the Texas Department of Housing and Community Affairs and the vendor to attempt to resolve any dispute arising under this contract resulting from this RFP.

XV. Executive Order 13224

Vendor certifies that the proposing entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that vendor is in compliance with the State of Texas statutes and rules relating to procurement and that vendor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at Excluded Parties List System (EPLS, http://www.epls.gov).

XVI. Hurricane Rita/Katrina Disaster

Sections 2155.006 and 2261.053, Gov't Code, prohibit state agencies from awarding contracts to any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by §418.004, Gov't Code, occurring after September 24, 2005. Under §2155.006, Gov't Code, vendor certifies that the individual or business entity named in its proposal is not ineligible to receive a contract and acknowledges that any contract resulting from this RFP may be terminated and payment withheld if this certification is inaccurate.

BOND FINANCE DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Items

Presentation, Discussion and Approval of Resolution 09-045 authorizing the issuance of Residential Mortgage Revenue Bonds, 2009 Series A, and Residential Mortgage Revenue Refunding Bonds, 2009 Series B (Program 74).

Required Action

Approval of Resolution 09-045 authorizing the issuance of Residential Mortgage Revenue Bonds, 2009 Series A, and Residential Mortgage Revenue Refunding Bonds, 2009 Series B (Program 74).

Background

As of July 6, 2009, TDHCA has only $27 million in remaining allocation from Program 70 at a 5.75% assisted mortgage rate for very low, low and moderate income Texans seeking to purchase their first home. On June 29, 2009, TDHCA's Board approved an application to the Texas Bond Review Board to draw down $55 million of 2008 volume cap along with $30 million of H.R. 3221 volume cap. Today Staff is seeking final approval of an $85.0 million new bond issuance along with a $22.6 million refunding of the Residential Mortgage Revenue Bonds, 1999 Series BCD issuance with respect to the finance structure, proposed target mortgage rate, timing and size of the issue.

Staff has surveyed our lenders and there remains strong demand for our product with down payment assistance. Staff has taken a conservative look at this demand and estimates that Program 74 funds should be available through April 2010. We will be setting aside 30% of our structure for families with income less than 80% of area median family income (AMFI). We will also set aside 20% of our structure for targeted areas within the State of Texas. Both set asides along with the remaining bond proceeds will be available with 4 percent down payment assistance in the form of a deferred zero percent second lien due on sale mortgage loan which will be forgivable after 10 years. Depending on the day of pricing and market conditions, TDHCA expects the first lien mortgage rate to be between 6.35% and 6.55%. The first lien mortgages will be securitized and all mortgages will be marketed to very low, low and moderate income residents of Texas. TDHCA expects that approximately 740 new first-time homebuyers will be able to take advantage of this program.

The following table illustrates the various components of this proposed transaction.

Program	Series	Amount *	Purpose	Bond Description
74	2009 A	$85,000,000	Tax-Exempt Draw Down of Authority for Mortgages with Assistance	Fixed Rate Non-AMT Bonds which includes a PAC Bond
74	2009 B	22,605,000	Tax-Exempt Economic Refunding of RMRB 1999 Series BCD	Fixed Rate AMT Bonds
Total		$107,605,000		

* Preliminary, subject to change

A portion of the proceeds from fixed-rate Premium Planned Amortization Class (PAC) bonds in conjunction with $1.3 million of available zero percent funds within the RMRB indenture along with the economic refunding of the RMRB 1999 Series BCD will be used to help with this structure including subsidizing down payment assistance and expenses associated with Program 74.

In June 2007, TDHCA issued Single Family Mortgage Revenue Bond Program 69 as a variable rate structure that generated $9.3 million in zero percent funds. $5.7 million was used to subsidize the rate on Program 70. Staff is seeking approval to set a mortgage rate on the remaining $3.6 million of these prior zero percent funds. Market conditions over the past several months caused our bond yield in Program 69 to increase which in turn caused the spread between bond yield and loan yield to fall below full spread of 1.125%. These market conditions eroded the requirement to use these funds as zero percent loans. To help improve the strength of Program 69, Staff recommends setting a mortgage rate with assistance equal to Program 74.

During last month's Board meeting, the following underwriting team was approved by the TDHCA Board.

Firm	Role
J.P. Morgan	Senior Manager
Bank of America Securities LLC	Co-Manager
Loop Capital Markets, LLC	Co-Manager
Morgan Stanley	Co-Manager

The following table provides certain key dates for this plan of finance.

Program Schedule	Program 74
TDHCA Board Approval Date	July 16, 2009
Texas Bond Review Board Approval Date	July 23, 2009
Pricing Dates (2009 A, 2009 B)	July 29-30, 2009
Execute Bond Purchase Agreement	July 31, 2009
Pre-Closing/Closing Dates	August 17 - 18, 2009

Recommendation

Approval of Resolution 09-045 authorizing the issuance of Residential Mortgage Revenue Bonds, 2009 Series A, and Residential Mortgage Revenue Refunding Bonds, 2009 Series B (Program 74).

Resolution No. 09-045

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS RESIDENTIAL MORTGAGE REVENUE BONDS, SERIES 2009A AND RESIDENTIAL MORTGAGE REVENUE REFUNDING BONDS, SERIES 2009B; AUTHORIZING THE APPROVAL OF THE FORM AND SUBSTANCE OF THE RESPECTIVE SUPPLEMENTAL INDENTURES, THE DEPOSITORY AGREEMENT, THE PROGRAM GUIDELINES, THE SERVICING AGREEMENT, THE COMPLIANCE AGREEMENT, THE FUNDING AGREEMENT, THE BOND PURCHASE AGREEMENT, THE CONTINUING DISCLOSURE AGREEMENT AND THE OFFICIAL STATEMENT FOR THE BONDS; AUTHORIZING THE EXECUTION OF DOCUMENTS AND INSTRUMENTS NECESSARY OR CONVENIENT TO CARRY OUT THE SINGLE FAMILY MORTGAGE PURCHASE PROGRAM; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Texas Department of Housing and Community Affairs (the "Department") has been duly created and organized pursuant to and in accordance with the provisions of Chapter 2306, Texas Government Code (the "Act"), as amended from time to time, for the purpose of providing a means of financing the costs of residential ownership, development and rehabilitation that will provide decent, safe and sanitary housing for individuals and families of low and very low income and families of moderate income (as described in the Act as determined by the Governing Board of the Department (the "Governing Board") from time to time) at prices they can afford; and

WHEREAS, the Act authorizes the Department: (a) to acquire, and to enter into advance commitments to acquire, mortgage loans (including participations therein) secured by mortgages on residential housing in the State of Texas (the "State"); (b) to issue its bonds for the purpose of obtaining funds to make and acquire such mortgage loans or participations therein, to establish necessary reserve funds and to pay administrative and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, receipts or resources of the Department, including the revenues and receipts to be received by the Department from such mortgage loans or participations therein, and to mortgage, pledge or grant security interests in such mortgages, mortgage loans or other property of the Department, to secure the payment of the principal or redemption price of and interest on such bonds; and

WHEREAS, the Act and Chapter 1207, Texas Government Code, as amended, further authorize the Department to issue its revenue bonds for the purpose of refunding any bonds theretofore issued by the Department or the Texas Housing Agency, its predecessor (the "Agency"), under such terms, conditions and details as shall be determined by the Governing Board; and

WHEREAS, the Department has, pursuant to and in accordance with the provisions of the Act, issued, sold and delivered its Residential Mortgage Revenue Bonds, Series 1999B (the "Series 1999B Bonds"), its Residential Mortgage Revenue Refunding Bonds, Series 1999C (the "Series 1999C Bonds") and its Residential Mortgage Revenue Refunding Bonds, Series 1999D (the "Series 1999D Bonds") pursuant to the Residential Mortgage Revenue Bond Trust Indenture dated as of November 1, 1987 (as amended by supplemental indentures numbered First through Twenty-Seventh and any amendments thereto, collectively, the "RMRB Indenture") between the Department, as successor to the Agency, and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), to implement the various phases of the Agency's (now the Department's) single family mortgage loan purchase program; and

WHEREAS, Section 302 of the RMRB Indenture authorizes the issuance of additional bonds for the purposes of acquiring Mortgage Loans or participations therein, payment of costs of issuance, funding of reserves and refunding outstanding bonds or notes issued by the Department under the Act; and

WHEREAS, the Governing Board has determined to authorize the issuance of the Department's Residential Mortgage Revenue Bonds, to be known as (i) its Residential Mortgage Revenue Bonds, Series 2009A (the "2009A Bonds") pursuant to the RMRB Indenture, for the purposes of providing funds to make and acquire qualifying mortgage loans (including participations therein through the purchase of mortgage backed securities ("Mortgage Certificates") issued and guaranteed by Fannie Mae ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") or Government National Mortgage Association ("Ginnie Mae")) (referred to herein as "Mortgage Loans"), to fund capitalized interest, to fund down payment and closing cost assistance and to pay a portion of the costs of issuance, and (ii) its Residential Mortgage Revenue Refunding Bonds, Series 2009B (the "Series 2009B Bonds" and together with the Series 2009A Bonds, collectively, the "Series 2009 Bonds") for the purpose of refunding the Department's outstanding Series 1999B Bonds, the Department's outstanding Series 1999C Bonds and the Department's outstanding Series 1999D Bonds (collectively, the "Refunded Bonds") within 90 days after the date of delivery of the Series 2009 Bonds; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Twenty-Eighth Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Twenty-Eighth Series Supplement") in substantially the form attached hereto relating to the Series 2009A Bonds and the Twenty-Ninth Supplemental Residential Mortgage Revenue Bond Trust Indenture (the "Twenty-Ninth Series Supplement") in substantially the form attached hereto relating to the Series 2009B Bonds; and

WHEREAS, the Twenty-Eighth Series Supplement and the Twenty-Ninth Series Supplement are hereinafter collectively referred to as the "Supplemental Indentures"; and

WHEREAS, the Governing Board has determined to authorize the execution and delivery of a Seventh Supplement to Amended and Restated Depository Agreement relating to the Series 2009 Bonds (the "Depository Agreement"), by and among the Department, the Trustee and the Texas Treasury Safekeeping Trust Company, in substantially the form attached hereto to provide for the holding, administering and investing of certain moneys and securities relating to the Series 2009 Bonds; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of the Program Guidelines (the "Program Guidelines") in substantially the form attached hereto, setting forth the terms and conditions upon which Mortgage Loans will be purchased by the Department and the terms of such Mortgage Loans; and

WHEREAS, under the Program Guidelines, 100% of the funds available under the Department's single family mortgage purchase program designated as Bond Program No. 74 (the "Program") will be available to Mortgage Lenders participating in a controlled, first-come, first-served reservation system with (a) approximately 30% of such funds reserved in the first year of the Program to finance Mortgage Loans to eligible borrowers having a family income not exceeding 80% of applicable median family income; (b) approximately 20% of such funds reserved in the first year of the Program to finance Mortgage Loans to eligible borrowers in certain targeted areas; and (c) downpayment and closing cost assistance available to all eligible borrowers, with such borrowers agreeing to repay the assistance on a prorated basis if the residence is sold at any time during the ten years after its purchase; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Program Administration and Servicing Agreement (the "Servicing Agreement") in substantially the form attached hereto setting forth the terms under which Bank of America, N.A., as master servicer (the "Servicer"), will review, acquire, package and service the Mortgage Loans and sell the Mortgage Certificates to the Trustee on behalf of the Department; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Compliance Agreement (the "Compliance Agreement") in substantially the form attached hereto setting forth the terms under which Bank of America, N.A., as compliance agent (the "Compliance Agent"), will review and examine

certain documents submitted by the Mortgage Lenders in connection with the Mortgage Loans to ensure compliance with the requirements of the Department set forth therein; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Funding Agreement (the "Funding Agreement") in substantially the form attached hereto setting forth the terms under which the Servicer will advance funds to the Department to be used to pay a portion of the costs of issuance of the Series 2009 Bonds; and

WHEREAS, the Governing Board has further determined that the Department should enter into one or more Bond Purchase Agreements relating to the sale of the Series 2009 Bonds (collectively, the "Bond Purchase Agreement") with J.P. Morgan Securities Inc., as representative of the group of underwriters listed on Exhibit A to this Resolution (the "Underwriters"), and/or any other parties to the Bond Purchase Agreement as authorized by the execution thereof by an authorized representative of the Department named in this Resolution, in substantially the forms attached hereto setting forth certain terms and conditions upon which the Underwriters and/or any other parties to the Bond Purchase Agreement will purchase the Series 2009 Bonds from the Department and the Department will sell the Series 2009 Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement; and

WHEREAS, the Governing Board desires to authorize the execution and delivery of a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in substantially the form attached hereto between the Department and the Trustee; and

WHEREAS, the Governing Board has been presented with a draft of a preliminary official statement to be used in the public offering of the Series 2009 Bonds (the "Official Statement") and the Governing Board desires to approve such Official Statement in substantially the form attached hereto; and

WHEREAS, the Governing Board has determined to authorize the investment of the proceeds of the Series 2009 Bonds and any other amounts held under the RMRB Indenture with respect to the Series 2009 Bonds in one or more guaranteed investment contracts (the "GICs") on or after the closing date or such other investments as the authorized representatives named herein may approve; and

WHEREAS, the Governing Board desires to approve the use of an amount not to exceed $250,000 of Department funds for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2009 Bonds, to fund down payment and closing cost assistance and to fund capitalized interest; and

WHEREAS, the Governing Board desires to authorize the use of up to $1,332,000 of 0% loan funds in connection with the Program made available from various prior Single Family Mortgage Revenue Bond issues and Residential Mortgage Revenue Bond issues of the Department; and

WHEREAS, the Department has certain funds available in the 2007 A Mortgage Loan Account for the Department's Single Family Variable Rate Mortgage Revenue Bonds, 2007 Series A (the "2007 A Mortgage Loan Account") and the Governing Board desires to authorize the use of those funds to make mortgage loans under the Department's Single Family Mortgage Revenue Bond Trust Indenture having the same interest rate as the interest rate on the Program Mortgage Loans; and

WHEREAS, in accordance with Section 2306.142(m) of the Act, the Governing Board has determined that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department and desires to authorize the authorized representatives of the Department named in this Resolution to seek from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act; and

WHEREAS, the Governing Board hereby determines that the purpose for which the Department may issue the Series 2009 Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended; and

WHEREAS, the Governing Board desires to approve the forms of the Supplemental Indentures, the Depository Agreement, the Program Guidelines, the Servicing Agreement, the Compliance Agreement, the Funding Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, and the Official Statement, in order to find the form and substance of such documents to be satisfactory and proper and the recitals contained therein to be true, correct and complete; and has determined to implement the Program in accordance with such documents by authorizing the issuance of the Series 2009 Bonds, the execution and delivery of such documents and the taking of such other actions as may be necessary or convenient to carry out the Program; NOW, THEREFORE,

BE IT RESOLVED BY THE GOVERNING BOARD OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS:

ARTICLE I
ISSUANCE OF BONDS; APPROVAL OF DOCUMENTS

Section 1.1--Issuance, Execution and Delivery of the Series 2009 Bonds. That the issuance of the Series 2009 Bonds is hereby authorized, all under and in accordance with the RMRB Indenture, and that, upon execution and delivery of the Supplemental Indentures, the authorized representatives named herein each are hereby authorized to execute, attest and affix the Department's seal to the Series 2009 Bonds and to deliver the Series 2009 Bonds to the Attorney General of Texas (the "Attorney General") for approval, the Comptroller of Public Accounts of the State of Texas (the "Comptroller") for registration and the Trustee for authentication, and thereafter to deliver the Series 2009 Bonds to or upon the order of the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement.

Section 1.2--Authority to Approve Form of Documents, Determine Interest Rates, Principal Amounts, Maturities and Prices. That the Chairman of the Governing Board or the Executive Director of the Department (i) are hereby authorized and empowered to determine which series of the Series 2009 Bonds shall be issued on a taxable or a tax-exempt basis and to determine which series of the Series 2009 Bonds will be issued as new money bonds, refunding bonds, or governmental purpose bonds (or any combination thereof) and (ii) are hereby authorized and empowered, in accordance with Chapter 1371, Texas Government Code, as amended, to fix and determine the interest rates, principal amounts and maturities of, and the prices at which the Department will sell the Series 2009 Bonds to the Underwriters and/or any other parties to the Bond Purchase Agreement, all of which determinations shall be conclusively evidenced by the execution and delivery by the Chairman of the Governing Board or the Executive Director of the Department of the Supplemental Indentures, the Bond Purchase Agreement, the Depository Agreement and the Official Statement; provided, however, that: (a) the net effective interest rate on the Series 2009A Bonds shall not exceed 7.0% per annum and the net effective interest rate on the Series 2009B Bonds shall not exceed 7.0% per annum; (b) the aggregate principal amount of the Series 2009 Bonds shall not exceed $85,000,000 for the Series 2009A Bonds and $22,605,000 for the Series 2009B Bonds, provided that the aggregate principal amount of all Series 2009 Bonds will not exceed $107,605,000; (c) the final maturity of the Series 2009 Bonds shall occur not later than July 1, 2043 for the Series 2009A Bonds and July 1, 2022 for the Series 2009B Bonds; (d) the price at which the Series 2009 Bonds are sold to the Underwriters and/or any other parties to the Bond Purchase Agreement shall not exceed 105.0% of the principal amount thereof for the Series 2009A Bonds and 100.0% of the principal amount thereof for the Series 2009B Bonds; (e) the aggregate net present value savings in debt service resulting from the issuance of the Series 2009B Bonds shall be at least 1.0% of the principal amount of the Refunded Bonds; and (f) the Underwriters' discount or fee shall not exceed the amount approved by the Texas Bond Review Board. In no event shall the interest rate on the Series 2009 Bonds (including any default interest rate) exceed the maximum interest rate permitted by applicable law.

Section 1.3--Approval, Execution and Delivery of the Supplemental Indentures. That the form and substance of the Supplemental Indentures are hereby approved, and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Supplemental Indentures, and to deliver the Supplemental Indentures to the Trustee.

Section 1.4--Approval of Depository Agreement. That the form and substance of the Depository Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Depository Agreement and to deliver the Depository Agreement to the Trustee and to the Texas Treasury Safekeeping Trust Company.

Section 1.5--Approval of Program Guidelines. That the form and substance of the Program Guidelines are hereby authorized and approved.

Section 1.6--Approval of Servicing Agreement. That the form and substance of the Servicing Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Servicing Agreement and to deliver the Servicing Agreement to the Trustee and the Servicer.

Section 1.7--Approval of Compliance Agreement. That the form and substance of the Compliance Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Compliance Agreement and to deliver the Compliance Agreement to the Compliance Agent.

Section 1.8--Approval of Funding Agreement. That the form and substance of the Funding Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Funding Agreement and to deliver the Funding Agreement to the Servicer and the Trustee.

Section 1.9--Approval, Execution and Delivery of the Bond Purchase Agreement. That the sale of the Series 2009 Bonds to the Underwriters and/or any other parties pursuant to the Bond Purchase Agreement is hereby approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Bond Purchase Agreement and to deliver the Bond Purchase Agreement to the Underwriters and/or any other parties to the Bond Purchase Agreement.

Section 1.10--Approval of Continuing Disclosure Agreement. That the form and substance of the Continuing Disclosure Agreement are hereby authorized and approved and that the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest and affix the Department's seal to the Continuing Disclosure Agreement and to deliver the Continuing Disclosure Agreement to the Trustee.

Section 1.11--Official Statement. That the Official Statement relating to the Series 2009 Bonds, in substantially the form presented to the Governing Board, is hereby approved; that prior to the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, are hereby authorized and directed to finalize the Official Statement for distribution by the Underwriters to prospective purchasers of the Series 2009 Bonds, with such changes therein as the authorized representatives of the Department named in this Resolution may approve in order to permit such an authorized representative, for and on behalf of the Governing Board, to deem the Official Statement relating to the Series 2009 Bonds final as of its date, except for such omissions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), such approval to be conclusively evidenced by the distribution of such Official Statement; and that within seven business days after the execution of the Bond Purchase Agreement, the authorized representatives of the Department named in this Resolution, acting for and on behalf of the Governing Board, shall cause the final Official Statement, in

substantially the form of the Official Statement attached hereto, with such changes as such an authorized representative may approve, such approval to be conclusively evidenced by such authorized representative's execution thereof, to be provided to the Underwriters in compliance with Rule 15c2-12.

Section 1.12--Approval of GIC Broker; Approval of Investment in GICs. That the Executive Director or the Director of Bond Finance of the Department and the Chairman of the Governing Board are hereby authorized to select a GIC Broker, if any, and that the investment of funds held under the RMRB Indenture in connection with the Series 2009 Bonds in GICs is hereby approved and that the Executive Director or the Director of Bond Finance is hereby authorized to complete arrangements for the investment in GICs provided that the interest rate on the Acquisition Fund is not less than 2% and the interest rate on the Float Fund is not less than 3.5%, or such other investments as the authorized representatives named herein may approve.

Section 1.13--Approval of Verification Agent. That the Executive Director or the Director of Bond Finance and the Chairman of the Governing Board are hereby authorized to select a verification agent, if any.

Section 1.14--Execution and Delivery of Other Documents. That the authorized representatives of the Department named in this Resolution each are hereby authorized to execute, attest, affix the Department's seal to and deliver such other agreements, advance commitment agreements, assignments, bonds, certificates, contracts, documents, instruments, releases, financing statements, letters of instruction, notices of acceptance, written requests and other papers, whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the RMRB Indenture, the Supplemental Indentures, the Depository Agreement, the Bond Purchase Agreement and the Continuing Disclosure Agreement.

Section 1.15--Power to Revise Form of Documents. That, notwithstanding any other provision of this Resolution, the authorized representatives of the Department named in this Resolution each are hereby authorized to make or approve such revisions in the form of the documents attached hereto as exhibits as, in the judgment of such authorized representative, and in the opinion of Vinson & Elkins L.L.P., Bond Counsel to the Department, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, such approval to be evidenced by the execution of such documents by the authorized representatives of the Department named in this Resolution.

Section 1.16--Exhibits Incorporated Herein. That all of the terms and provisions of each of the documents listed below as an exhibit shall be and are hereby incorporated into and made a part of this Resolution for all purposes:

Exhibit B	-	Supplemental Indentures
Exhibit C	-	Depository Agreement
Exhibit D	-	Program Guidelines
Exhibit E	-	Servicing Agreement
Exhibit F	-	Compliance Agreement
Exhibit G	-	Funding Agreement
Exhibit H	-	Bond Purchase Agreement
Exhibit I	-	Continuing Disclosure Agreement
Exhibit J	-	Official Statement

Section 1.17--Authorized Representatives. That the following persons are hereby named as authorized representatives of the Department for purposes of executing, attesting, affixing the Department's seal to, and delivering the documents and instruments and taking the other actions referred to in this Article I: Chairman and Vice Chair of the Governing Board, Executive Director of the Department, Chief of Agency Administration of the Department, Director of Bond Finance of the Department and the Secretary to the Governing Board.

Section 1.18--Department Contribution. That the contribution of Department funds in an amount not to exceed $250,000 to be used for any purpose authorized under the Act and the RMRB Indenture, including to pay a portion of the costs of issuance of the Series 2009 Bonds, to fund down payment and closing cost assistance and to fund capitalized interest, is hereby authorized.

Section 1.19--Use of 0% Loan Funds. That the use of up to $1,332,000 of 0% loan funds in connection with the Program made available from various Single Family Mortgage Revenue Bond issues and Residential Mortgage Revenue Bond issues of the Department is hereby authorized.

Section 1.20--Use of 2007 A Mortgage Loan Account. That the use of up to $3,600,000 of funds available in the 2007 A Mortgage Loan Account for the purpose of making mortgage loans under the Department's Single Family Mortgage Revenue Bond Trust Indenture is hereby authorized.

ARTICLE II
APPROVAL AND RATIFICATION OF CERTAIN ACTIONS

Section 2.1--Submission to the Attorney General of Texas. That the Governing Board of the Department hereby approves the submission by the Department's Bond Counsel to the Attorney General of Texas, for his approval, of a transcript of the legal proceedings relating to the issuance, sale and delivery of the Series 2009 Bonds.

Section 2.2--Engagement of Other Professionals. That the Executive Director or the Director of Bond Finance is authorized to engage an accounting firm to perform such functions, audits, yield calculations and subsequent investigations as necessary or appropriate to comply with the Bond Purchase Agreement and the requirements of the purchasers of the Series 2009 Bonds and Bond Counsel to the Department, provided such engagement is done in accordance with applicable State law.

Section 2.3--Certification of the Minutes and Records. That the Secretary and any Assistant Secretary to the Governing Board of the Department are hereby authorized to certify and authenticate minutes and other records on behalf of the Department for the Program, the issuance of the Series 2009 Bonds and all other Department activities.

Section 2.4--Approval of Requests for Rating from Rating Agencies. That the Executive Director, the Director of Bond Finance and the Department's consultants are authorized to seek ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Section 2.5--Ratifying Other Actions. That all other actions taken or to be taken by the Executive Director and the Department's staff in connection with the Program and the issuance of the Series 2009 Bonds are hereby ratified and confirmed.

Section 2.6--Authority to Invest Funds. That the Executive Director or the Director of Bond Finance is hereby authorized to undertake all appropriate actions required under the RMRB Indenture and the Depository Agreement and to provide for investment and reinvestment of all funds held under the Single Family Indenture.

Section 2.7--Redemption of Refunded Bonds. That the Executive Director or the Director of Bond Finance is hereby authorized and directed: (i) to instruct the trustee for the Refunded Bonds to redeem the Refunded Bonds with the proceeds of the Series 2009B Bonds not later than 90 days after the date of issuance of the Series 2009B Bonds, (ii) to pay the redemption premiums, if any, with respect to the Refunded Bonds and (iii) to take all other actions necessary to cause such redemptions to occur. The Governing Board has determined that the proposed refundings are in the best interest of the Department and will provide a potential savings in debt payable by the Department.

Section 2.8--Waiver from Texas Bond Review Board. That the Governing Board of the Department ratifies actions taken by the authorized representatives of the Department named in this Resolution seeking from the Texas Bond Review Board a waiver of the requirements of Section 2306.142(l) of the Act in accordance with Section 2306.142(m) of the Act.

ARTICLE III
CERTAIN FINDINGS AND DETERMINATIONS

Section 3.1--Determination of Interest Rate. That the Governing Board of the Department hereby declares that the Department shall fix and determine the interest rates on the Mortgage Loans for the Program at the time and in accordance with the procedures set forth in the RMRB Indenture and that such rates shall be established at levels such that the Mortgage Loans for the Program will produce, together with other available funds, the amounts required to pay for the Department's costs of operation with respect to the Program and debt service on the Series 2009 Bonds, and enable the Department to meet its covenants with and responsibilities to the holders of the bonds issued under the RMRB Indenture without adversely affecting the exclusion from gross income for federal income tax purposes of interest on any of such tax-exempt bonds.

Section 3.2--Bonds to Finance Mortgage Loans in Underserved Economic and Geographic Markets. That, in accordance with Section 2306.142(m) of the Act, the Governing Board hereby finds that the issuance of bonds to finance Mortgage Loans to meet the credit needs of borrowers in underserved economic and geographic submarkets in the State is unfeasible or would damage the financial condition of the Department.

Section 3.3--Purpose of Series 2009 Bonds. The Governing Board hereby determines that the purpose for which the Department may issue the Series 2009 Bonds constitutes "public works" as contemplated by Chapter 1371, Texas Government Code, as amended.

ARTICLE IV
GENERAL PROVISIONS

Section 4.1--Limited Obligations. That the Series 2009 Bonds and the interest thereon shall be limited obligations of the Department payable solely from the trust estate pledged under the RMRB Indenture to secure payment of the bonds issued under the RMRB Indenture and payment of the Department's costs and expenses for the Program thereunder and under the RMRB Indenture, and under no circumstances shall the Series 2009 Bonds be payable from any other revenues, funds, assets or income of the Department.

Section 4.2--Non-Governmental Obligations. That the Series 2009 Bonds shall not be and do not create or constitute in any way an obligation, a debt or a liability of the State or create or constitute a pledge, giving or lending of the faith or credit or taxing power of the State.

Section 4.3--Purposes of Resolution. That the Governing Board of the Department has expressly determined and hereby confirms that the issuance of the Series 2009 Bonds and the furtherance of the Program contemplated by this Resolution accomplish a valid public purpose of the Department by providing for the housing needs of persons and families of low, very low and extremely low income and families of moderate income in the State.

Section 4.4--Notice of Meeting. That written notice of the date, hour and place of the meeting of the Board at which this Resolution was considered and of the subject of this Resolution was furnished to the Secretary of State and posted on the Internet for at least seven (7) days preceding the convening of such meeting; that during regular office hours a computer terminal located in a place convenient to the public in the office of the Secretary of State was provided such that the general public could view such posting; that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof was discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended; and that written notice of the date, hour and place of the meeting of the Board and of the subject of this Resolution was published in the Texas Register at least seven

(7) days preceding the convening of such meeting, as required by the Administrative Procedure and Texas Register Act, Chapters 2001 and 2002, Texas Government Code, as amended. Additionally, all of the materials made available to the Board relevant to the subject of this Resolution were posted on the Department's website not later than the third day before the date of the meeting of the Board at which this Resolution was considered, and any documents made available to the Board by the Department on the day of the meeting were also made available in hard-copy format to the members of the public in attendance at the meeting, as required by Section 2306.032, Texas Government Code, as amended.

Section 4.5--Effective Date. That this Resolution shall be in full force and effect from and upon its adoption.

[Signature page follows.]

PASSED AND APPROVED this 16th day of July, 2009.

Chairman, Governing Board

ATTEST:

Secretary to the Governing Board

(SEAL)

EXHIBIT A

List of Underwriters

Senior Manager

J.P. Morgan Securities Inc.

Co-Managers

Bank of America Securities LLC
Loop Capital Markets, LLC
Morgan Stanley & Co.

ALL DOCUMENTS REFERRED TO IN THE FOREGOING RESOLUTION ARE ATTACHED TO THE ORIGINAL COPY OF SAID RESOLUTION, WHICH IS ON FILE IN THE OFFICIAL RECORDS OF THE DEPARTMENT, AND EXECUTED COUNTERPARTS OF SUCH EXHIBITS ARE INCLUDED IN THE OFFICIAL TRANSCRIPT OF PROCEEDINGS RELATING TO THE SERIES 2009 BONDS.

ORAL PRESENTATION

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval to publish a draft of proposed rules for Disaster Recovery programs, 10 TAC §§54.1-54.2, for comment in the *Texas Register*

Requested Action

Approve, deny, or modify proposed rules.

Background

The Texas Department of Housing and Community Affairs received funding from HUD federal appropriations to provide disaster assistance. Rules are necessary to effectively monitor the activities under disaster assistance, and to ensure program benchmarks are achieved and disaster funds spent timely. The contracts between the Subrecipients and TDHCA will include benchmarks enforceable under the rules. Publishing the rules in the Texas Register opens the period for public comment. The Board will address the final rules after public comment is received.

Recommendation

Adopt or amend the proposed draft Disaster Recovery Program rules to publish in the *Texas Register*.

The Texas Department of Housing and Community Affairs proposes new 10 TAC Chapter 54, §§54.1 – 54.2, Disaster Recovery. The proposed new sections will establish rules to ensure compliance with statutory funding requirements, formalize existing policy, to effectively monitor the activities under disaster assistance, to ensure benchmarks are achieved and disaster funds are spent timely.

Mr. Michael Gerber, Executive Director, has determined that for the first five-year period the proposed sections are in effect there will be no fiscal implications for state or local governments as a result of enforcing or administering the sections as proposed.

Mr. Gerber has also determined that for each year of the first five-years the section is in effect the public benefit anticipated as a result of enforcing the rules will be enhanced compliance with formalized policy, all contractual and statutory requirements. There will be no effect on small businesses or persons. There is no anticipated economic cost to persons who are required to comply with the sections as proposed.

The sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provide the Department with the authority to adopt rules governing the administration of the Department and its programs.

The proposed sections affect no other code, article or statute.

§54.1. Definitions.
The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.
(1) CDBG Disaster Homeowner Assistance Activities -- Community Development Block Grant Disaster Homeowner Assistance Activities.
(2) Good cause -- Verifiable events beyond the control of the TDHCA and the Subrecipient such as unavailability of records from third parties, impediments due to coordination with other governmental entities, delays due to inclement weather or other acts of God, funding delays, wide-spread shortage of labor or other significant resources.
(3) NOFA -- Notice of Funding Availability.
(4) RFP -- Request for Proposal.

§54.2. General Provisions.
(a) The Contract term will not exceed twenty-four (24) months, and performance under the Contract will be evaluated with the following benchmarks:
(1) Community Development Block Grant (CDBG) Disaster Homeowner Assistance Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:
(A) Six (6) months -- Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 10% of applicants;
(B) Eight (8) months -- Procurement complete for contractors used for rehabilitation and reconstruction activities, 25% of the households to be assisted environmentally cleared;

(C) Twelve (12) months -- Eligibility determined on 100% of the households receiving assistance under Homeowner Assistance Programs, 50% of the funds committed to eligible households, and 10% of the project funds drawn;
(D) Eighteen (18) months -- 100% of the project funds must be committed to the households receiving assistance, 50% of the homes must be under construction or rehabilitation, and 25% of the project funds drawn;
(E) Twenty-two (22) months -- 100% of the construction for all homes must be complete, 75% of the project funds drawn; and
(F) Twenty-four (24) months -- 85% of project funds are drawn, close out must be complete within sixty (60) days of end of contract.
(2) CDBG Rental Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract and State administered programs will be based on the following benchmarks from the Contract begin date:
(A) Six (6) months -- the RFP or NOFA, as applicable, must be published;
(B) Eight (8) months -- Developments must be selected under rental programs and environmentally cleared;
(C) Twelve (12) months -- Loan closing must be closed for any rental components and 10% of project funds drawn;
(D) Eighteen (18) months -- 50% of project funds drawn;
(E) Twenty-two (22) months -- 75% of the project funds drawn; and
(F) Twenty-four (24) months -- 100% of construction complete, certificates of occupancy issued, 95% of funds drawn. Close out must be complete within sixty (60) days of end of contract.
(3) CDBG Disaster Downpayment Homeownership Assistance Activities. The Contract term will not exceed twenty-four (24) months. Performance under the Contract will be based on the following benchmarks from the Contract begin date:
(A) Six (6) months -- Pool of applicants identified, eligibility assessment begun including site specific environmental on a minimum of 25% of applicants;
(B) Twelve (12) months -- eligibility determination made on 100% of applicants, 25% of the project funds drawn;
(C) Eighteen (18) months -- 50% of the applicants assisted, 45% of project funds drawn; and
(D) Twenty-four (24) months -- 100% of the applicants assisted, 75% of project funds drawn. Close out must be complete within sixty (60) days of end of contract.
(b) The Executive Director of the TDHCA may grant one extension to revise benchmarks and/or lower percentages, due to good cause.

OFFICE OF COLONIA INITIATIVES

BOARD ACTION REQUEST
July 16, 2009

Action Items

Presentation, Discussion and Possible Approval to publish the proposed repeal of Title 10, Texas Administrative Code, Part 1, Chapter 2, Texas Bootstrap Loan Program, and to publish proposed new Title 10, Texas Administrative Code, Part 1, Chapter 2, Texas Bootstrap Loan Program for public comment in the *Texas Register*.

Required Action

Approve, deny, or approve with modifications publication of the proposed repeal of Title 10, Texas Administrative Code, Part 1, Chapter 2 and the publication of proposed new Title 10, Texas Administrative Code, Part 1, Chapter 2 governing the Texas Bootstrap Loan Program.

Background

The current and first-ever Texas Bootstrap Loan Program rules were adopted by the Texas Department of Housing and Community Affair's (TDHCA) Governing Board on February 1, 2007. The recommended program rules presented today include changes from Senate Bill 679, which was approved during the 81st Legislative Session.

Several sections were deleted to align processes with the current Reservation System that is currently being utilized in the Program. In addition, these proposed rules incorporate changes recommended by the Department's Internal Audit Division.

Upon approval by the Board, the proposed repeal and the proposed new program rules will be published in the *Texas Register* for public comment. The public comment period will be for at least 30 days. A final recommendation for the proposed rules will be presented to the Board in October 2009.

Summary of Significant Changes

§ 2.7--Distribution of Funds:

(c) The methods of expending funds has changed from a competitive application cycle to a reservation system (first-come, first-serve basis) and the number of reservations allowed at any given time may not exceed ten (10) per nonprofit organization in the two-third (2/3) set-aside and the number of reservations allowed at any give time may not exceed five (5) reservations per nonprofit organization at any given time under the balance of the state (1/3 set-aside);

§ 2.9-- Program Administration-

(a) The maximum loan amount from the Department has increased from $30,000 to $45,000 and total combined amortized repayable loans may not exceed $90,000 per unit;

(c) The Department may accept parity lien position if the original principal amount of the leveraged loan is equal to or greater than the Department's loan;

(d) The Department must accept a subordinate lien position if the original principal amount of the leveraged loan is at least $1,000 or greater than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinate to the Department's loan.

(t)(11)(a) Owner-Builder applicant's payment on any account may not be delinquent for more than 30 days on three or more occasions within the last 12 months prior to the date of application

§ 2.10-Owner Builder Qualifications:

(4)-Sweat equity requirement increased from 60% to 65%.

§2.12-Property Guidelines:

(d)-Maximum loan-to-value ratio may not exceed 95%. The lien amounts of forgivable loans and/or grants will not be included in the loan-to-value calculations

Recommendation

Staff is recommending publishing the proposed repeal of Title 10, Texas Administrative Code, Part 1, Chapter 2 and publication in the *Texas Register* for public comment of the proposed draft rules governing the Texas Bootstrap Loan Program.

TITLE 10 COMMUNITY DEVELOPMENT
PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 2 TEXAS BOOTSTRAP LOAN PROGRAM

The Texas Department of Housing and Community Affairs proposes the repeal of 10 TAC, Chapter 2, Sections 2.1 - 2.17, concerning the Texas Bootstrap Loan Program. These sections will be replaced by new sections that include changes from Senate Bill 679, which was approved during the 81st Legislative Session.

The repealed sections are proposed pursuant to the authority of the Texas Government Code, Chapter 2306 which provides the Department with the authority to adopt rules governing the administration of the Department and its programs.

The repealed sections affect no other code, article or statute.

Section 2.1 Purpose
Section 2.2 Definitions
Section 2.3 Allocation of Funds
Section 2.4 Applicant Requirements
Section 2.5 Application Limitations
Section 2.6 Program Activities
Section 2.7 Prohibited Activities
Section 2.8 Distribution of Funds
Section 2.9 Application and Award Process
Section 2.10 General Threshold Criteria
Section 2.11 Selection Criteria for Texas Bootstrap Loan Program
Section 2.12 Program Administration
Section 2.13 Owner-Builder Qualifications
Section 2.14 Types of Funding Transactions
Section 2.15 Leveraged Loans
Section 2.16 Property guidelines and related issues
Section 2.17 Nonprofit Owner-Builder Housing Program (NOHP) Certification

TITLE 10 COMMUNITY DEVELOPMENT
PART 1 TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 2 TEXAS BOOTSTRAP LOAN PROGRAM

§2.1 Purpose

(a) This chapter clarifies the administration of the Texas Department of Housing and Community Affairs Texas Bootstrap Loan Program also known as the Owner-Builder Loan Program. The Texas Bootstrap Loan Program provides assistance to income-eligible individuals, families and households to purchase or refinance real property, on which to build new residential housing or improve existing residential housing. ~~finance, acquire, rehabilitate and develop decent, safe and sanitary housing.~~ The Program is administered in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code.

(b) The Texas Bootstrap Loan Program is a self-help construction program that is designed to provide very low-income families an opportunity to help themselves attain homeownership or repair their existing homes through sweat equity. All ~~participants~~ Owner-Builder applicants under this ~~p~~Program are required to provide through personal labor at least ~~60~~ 65 percent of labor ~~that is~~ necessary to ~~construct~~ build or rehabilitate the home. All applicable building codes and housing standards are adhered to under this ~~p~~Program. In addition, nonprofit organizations can combine these funds with other sources of funds. ~~such as private lending institutions, local governments, or any other sources for this purpose. However, all combined repayable loans~~ The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder may not exceed $90,000~~60,000~~ per housing unit.

§2.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) Activity--A form of assistance by which Texas Bootstrap Loan Program funds are used to provide incentives to develop and support affordable housing and homeownership through acquisition, new construction, reconstruction, and rehabilitation of residential housing.

~~(~~2) Administrative Deficiencies--The absence of information or a document from the Owner-Builder ~~A~~application as required by these rules and Program Manual.

(3) Amortized—A loan in which the principal as well as the interest, if applicable, is payable monthly or in some other periodic installment over the term of the loan.

~~(3) Applicant--An eligible entity which is preparing to submit or has submitted an Application for Texas Bootstrap Loan Program funds and is designated in the Application to assume contractual liability and legal responsibility to execute the written agreement with the Department.~~

~~(4) Application--A written request for Texas Bootstrap Loan Program funds in the format required by the Department.~~

~~(5) AMFI--HUD's Area Median Family Income.~~

(~~6~~4) Board--The governing board of the Texas Department of Housing and Community Affairs.

(~~7~~5) Colonia--A geographic area located in a county some part of which is within 150 miles of the international border of this state that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) has the physical and economic characteristics of a Colonia, as determined by the Department.

(6) Colonia Self-Help Center—As defined under Subchapter Z, Chapter 2306 of the Texas Government Code.

(78) Committed--Funds ~~budgeted~~ reserved to ~~a household~~ an Owner-Builder and approved by the Department.
~~(9) Competitive Application Cycle--A defined period during which applications may be submitted according to a published Notice of Funding Availability (NOFA). Applications will be reviewed in accordance with the rules for Application review published in the NOFA, and Application guidelines. The Department may release funds in a two-year funding cycle or less than two years.~~
~~(10) Contract--A written agreement, including all amendments thereto; executed by the Department and Technical Assistance Provider.~~
(~~11~~8) Department--The Texas Department of Housing and Community Affairs.
(~~12~~9) Development--Projects that have a construction component, either in the form of new construction or the rehabilitation of single family residential housing that meet the Texas Bootstrap Loan Program requirements.
(~~13~~10) Drawn--Funds approved by the Department and disbursed to the ~~Technical Assistance Provider~~NOHP.
(11) Grant--Financial assistance that is awarded in the form of money to a housing sponsor for a specific purpose and that is not required to be repaid. A Grant includes a forgivable loan.
(12) Economically Distressed Area-- A county ~~is only eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code, if:~~ that 1) ~~the county~~ contains an area that meets the criteria for an economically distressed area under Section 17.92(1), Water Code; and 2) ~~the county~~ has adopted and enforces the model rules under Section 16.343, Water Code
~~(14) Household--One or more persons occupying a housing unit.~~
(~~15~~13) HUD--United States Department of Housing and Urban Development.
~~(16) Low-Income Families--Owner-Builders may not have an annual income that exceeds 60 percent, as determined by the Department, of the greater of the state or local median family income, when combined with the income of any person who resides with the Owner-Builder.~~
(14) Life of Loan Flood Certification--Life of Loan Flood Certification tracks the flood zone of the property for the life of the loan.
(15) Loan Origination Agreement— A written agreement, including all amendments thereto between the Department and the NOHP that authorizes the NOHP to originate certain loans under the Texas Bootstrap Loan Program.
(~~17~~16) New Construction--Any single-family structure not meeting the definition of Rehabilitation or Reconstruction.
(~~18~~17) NOFA--Notice of Funding Availability~~, published in the Texas Register.~~
(~~19~~18) NOHP--Nonprofit Owner-Builder Housing ~~Program~~Provider.
(~~20~~19) Nonprofit Organization--~~A public or private~~ An organization that:
(A) is organized under state or local laws;
(B) has no part of its net earnings benefiting any member, founder, contributor, or individual;
(C) has a current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the Application and must continue to be effective throughout the length of any contract agreements; or classification as a subordinate of a central organization nonprofit under §501(c)(3) of the Internal Revenue Code, as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.
(D) A ~~private~~ nonprofit organization's pending application for §501(c)(3) status cannot be used to comply with the tax status requirement.
(~~21~~20) Open ~~Application~~ Reservation Cycle--A defined period during which an NOHP may submit Owner-Builder applications ~~may be submitted~~ according to a published NOFA and which will be reviewed on a first come-first ~~served~~ basis until all funds available are committed, or until the NOFA is

closed. Owner-Builder Aapplications will be reviewed in accordance with Program rules and the Program Manual ~~the rules for Application review published in the NOFA, and/or Application guidelines.~~ The Department may release funds in a two year funding cycle or less than two years.
(~~22~~21) Owner-Builder~~—~~A person, other than a person who owns or operates a construction business and ~~A person or household~~ who owns or purchases a piece of real property through a warranty deed and deed of trust; or is purchasing a piece of real property under a contract for deed entered into before January 1, 1999; and who undertakes to make improvements to that property~~, and as further described in §2.16 of this chapter.~~
(22) Participant-An organization which submits an application to the Department to be certified as an NOHP.
(~~23~~23) Program--Texas Bootstrap Loan Program also know as the Owner-Builder Loan Program.
(24) Program Manual – A set of guidelines designed to be an implementation tool for the NOHP that has executed a Loan Origination Agreement and allows the NOHP to search for terms, statutes, regulations, forms and attachments. The Program Manual is developed by TDHCA and amended or supplemented from time to time.
(~~24~~25) Reconstruction--The rebuilding of a new single-family structure on the same lot where housing exists at the time of Owner-Builder loan application. Texas Bootstrap Loan Program funds may also be used to build a new foundation or repair an existing foundation.
(~~25~~26) Rehabilitation--Includes the alteration, improvement or modification of an existing single family structure. It may also include moving an existing single family structure to a foundation constructed with Texas Bootstrap Loan Program funds.
(~~26~~27) Related Party--As defined in §2306.6702 of the Texas Government Code.
(28) Reservation—An amount of funds set-aside for each individual Owner-Builder applicant registered into the Department's Texas Bootstrap Loan Program Registration website.
(~~27~~29) Self-Help Housing Construction--The self-help housing process enables Owner-Builders to rehabilitate, reconstruct or construct their own homes, usually working together in groups on other eligible Owner-Builder's houses at the same time. Owner-builders use their own "sweat equity" to reduce the cost of their homes.
(~~28~~30) Single family structure--A property designed and built to support the habitation of one person or one household.
~~(29) Technical Assistance Provider (TAP)--A successful Applicant that has been awarded funds and has entered into a contract with the Department to administer the Texas Bootstrap Loan Program.~~
~~(30) Unit--A single family structure.~~
(31) Very Low-Income Families--Owner-Builders ~~may~~ who do not have an annual income that exceeds 60 percent~~, as determined by the Department,~~ of the greater of the state or local median family income, as determined by the Department, when combined with the income of any person who resides with the Owner-Builder.

§2.3 Allocation of Funds
(a) The Department administers all Texas Bootstrap Loan Program funds provided to the Department in accordance with Subchapter FF, Chapter 2306 of the Texas Government Code. The Department shall:
(1) solicit gifts and grants to make loans under this chapter.
(~~2~~b) The Department may also make loans under this chapter from:
(~~A~~1) available funds in the housing trust fund established under §2306.201, of the Texas Government Code; and
(~~B~~2) federal block grants that may be used for the purposes of this chapter; and
(~~C~~3) the Owner-Builder revolving loan fund established under §2306.7581, of the Texas Government Code.

~~(3) In a state fiscal year, the Department may use not more than 10 percent of the revenue available for purposes of this chapter to enhance the ability of tax-exempt organizations described by §2306.755(a) of the Texas Government Code to implement the purposes of this chapter.~~
(~~b~~ac) The Department shall establish an Owner-Builder revolving loan fund for the sole purpose of funding loans ~~under this chapter~~ pursuant to §2306.7581 of the Texas Government Code.
(~~c~~bd) The Department shall deposit money received in repayment of a loan ~~under this chapter~~ to the Owner-Builder revolving loan fund pursuant to §2306.7581 of the Texas Government Code.
(~~d~~ee) Each state fiscal year the Department shall transfer at least $3 million to the Texas Bootstrap Loan Program revolving fund from money received under the federal HOME Investment Partnerships program established under Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. §12701 et seq.) from money in the housing trust fund; or from money appropriated by the legislature to the Department pursuant to §2306.7581 of the Texas Government Code.
(~~e~~df) In a state fiscal year the Department may use not more than ten percent of the revenue available to enhance the ability of tax-exempt organizations described by §2306.755(a) of the Texas Government Code ~~to implement the purposes of the chapter and~~ to enhance the number of such organizations that are able to implement ~~those purposes~~ the Program. The Department shall use that available revenue to provide financial assistance, technical training and management support.

§2.4 ~~Applicant~~ Participant Requirements
(a) Eligible ~~Applicant~~Participants. The following organizations or entities are eligible to ~~apply for~~participate in the Texas Bootstrap Loan Program:
(1) Colonia Self Help Centers established under §2306, Subchapter Z, Texas Government Code; or
(2) Nonprofit Owner-Builder Housing ~~Program~~ Provider (NOHP) certified by the Department pursuant to §2306.755 of the Texas Government Code.
(b) Ineligible ~~Applicant~~Participants: The following violations may cause ~~an Applicant~~ Participant, and any ~~A~~applications they have submitted, to be ineligible:
(1) Previously funded ~~Applicant~~ Participants(s) ~~whose funds~~who have been partially or fully deobligated due to failure to meet contractual obligations during ~~24~~12 month period prior to the ~~Application deadline~~NOFA published date;
(2) ~~Applicants~~ Participants ~~-~~who have not satisfied all eligibility requirements described in the Program rules and NOFA~~, and application guidelines~~ to which they are responding~~, and for which Administrative Deficiencies were unresolved~~;
(3) ~~Applicants~~ Participants that have failed to make timely payment on fee commitments or on debt instruments held by the Department and for which the Department has initiated formal collection actions ~~or fee commitments due to the Department~~;
(4) ~~Applicants~~ Participants that have been debarred by HUD or the Department; or
(5) ~~Applicant~~Participants whose ~~, or their~~ staff, ~~violate who~~ violate the state's revolving door policy.
~~(c) Communication with Department Employees. Communication with Department employees by Applicants that submit an Application must follow the following requirements. During the period beginning on the date an Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.~~
~~(1) The communication must be restricted to technical or administrative matters directly affecting the Application;~~
~~(2) The communication must occur or be received on the premises of the Department during established business hours; and~~

~~(3) A record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication.~~

(~~d~~c) Noncompliance. Each ~~application~~ Participant will be reviewed for its compliance history by the Department. ~~Applications~~Participants found to be in ~~M~~material ~~N~~noncompliance, or otherwise violating the compliance rules of the Department, will be terminated.

(e) Eligibility requirements. ~~An Applicant~~Participant must be certified as an NOHP or must be a Colonia Self-Help Center and must have entered into a Loan Origination Agreement with the Department ~~satisfy the following requirements~~ in order to be eligible to ~~apply~~ participate in ~~for~~ the Texas Bootstrap Loan Program Reservation system~~funding~~ and as more fully described in the NOFA, ~~and application guidelines, when applicable~~. The ~~applicant~~ Participant must have the capacity to administer and manage resources as evidence by previous experience of managing state and/or federal programs. ~~based on each of the following preferred experience~~:

~~(1) Applicant must provide names and details, such as number of houses built, financing structure and construction timeliness of previous projects in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program in the areas of property development (including processes related to surveying, platting and recording of property), home loan processing, financing, coordinating with private financial institutions, acquiring, rehabilitating, reconstruction or constructing affordable single-family housing, in managing self-help housing and volunteer labor projects;~~

~~(2) Applicant must provide copies of program guidelines used to qualify Owner-Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner-Builders; providing education classes, counseling and training;~~

~~(3) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline;~~

~~(4) Applicants must have met all performance and expenditure benchmarks as outlined in any existing or prior contracts awarded by the Department;~~

~~(5) Applicant must provide copies of documentation from the Texas Secretary of State and Comptroller's Office demonstrating Applicant is in good standing;~~

(~~f~~e) If indicated by the Department, comply with all requirements to utilize the Department's website to provide necessary data to the Department.

~~§2.5 Application Limitations~~

~~(a) The Department reserves the right to reduce the amount requested in an Application based on program or project feasibility, need to ensure dispersion of funds, underwriting analysis, or availability of funds:~~

~~(b) An award amount for the Texas Bootstrap Loan Program shall not exceed $600,000 plus administrative fees not to exceed 6% of award amount, except as may be otherwise authorized by the Board or as otherwise stated in the NOFA.~~

~~(c) The contract term for the Texas Bootstrap Loan Program shall not exceed 24 months, except as may be otherwise authorized by the Board.~~

~~(d) Per household assistance from the Department for any Texas Bootstrap Loan Program Loans may not exceed $30,000 per household pursuant to §2306.754(b) of the Texas Government Code. The Owner-Builder must obtain the amount necessary that exceeds $30,000 from one or more local governmental entities, nonprofit organizations, or private lenders. The total amount of repayable loans made by the Department and other entities to an Owner-Builder under the Program may not exceed $60,000 pursuant to §2306.754 (b) of the Texas Government Code.~~

~~(e) An award amount for Disaster Relief shall not exceed $750,000 plus administrative fees not to exceed 6% of award amount per State declared disaster, or as may be otherwise authorized by the Board.~~

§~~2.6~~2.5 Program Activities

All eligible ~~Applicants~~ Participants that satisfy the requirements of §2.4 of this chapter may reserve funds and ~~apply~~ submit a loan application on behalf of an Owner-Builder Applicant for the Texas Bootstrap Loan Program. ~~funding~~

§~~2.7~~2.6 Prohibited Activities

The following activities are prohibited in relation to the origination of a Texas Bootstrap Loan Program Loan, but may be charged as an allowable cost by a third party lender for the origination of all other loans originated in connection with a Texas Bootstrap Loan Program Loan.

(1) Payment of delinquent property taxes or related fees or charges on properties to be assisted with Texas Bootstrap Loan Program funds;

(2) Loan Origination Fees;

(3) Application fee;

(4) Discount fees;

(5) Underwriter fee;

(6) Loan Processing fees; and

(7) Other fees not approved by the Department.

§~~2.8~~2.7 Distribution of Funds

(a) Set-Asides: In accordance with §2306.753(d) at least two-thirds of the dollar amount of loans made under this chapter in each fiscal year must be made to Owner-Builders whose property is located in a county that is eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

(b) Balance of State: The remaining one-third of the dollar amount of loans may be made to Owner-Builders in either a county under subsection (a) of this section or a county not eligible to receive financial assistance under Subchapter K, Chapter 17, Water Code.

~~(c) Redistribution: In an effort to commit Texas Bootstrap Loan Program funds in a timely manner, the Department may reallocate funds set-aside under subsection (a) of this section, at its own discretion, to other areas of the state if:~~

~~(1) The Department fails to receive a sufficient number of Applications by the application deadline date stated in the NOFA from the set-asides or balance of state;~~

~~(2) No Applications are submitted; or~~

~~(3) Applications from the Set-Aside under subsection (a) of this section that do not meet eligibility requirements or minimum threshold scores (when applicable), or are financially infeasible as applicable.~~

~~(4) The Department deobligated funds due to nonperformance from previous application cycles.~~

~~(d) Marginal Applications: When the remainder of the allocation within the set-aside under subsection (a) of this section or the balance of state is insufficient to completely fund the next ranked Application in the set-aside, it is within the discretion of the Department to:~~

~~(1) Fund the next ranked Application for the partial amount, reducing the scope of the Application proportionally;~~

~~(2) Transfer the remaining funds to either the balance of state or set-aside.~~

(c) Reservation procedures. Reservation of funds are available to the NOHP on first-come, first-served basis. In all cases the NOHP must register each Owner-Builder applicant on the Texas Bootstrap Loan Program Reservation System via the Department's website. Maximum Reservations allowed for an

NOHP at any given time may not exceed ten in the two-thirds set-aside as noted in §2306.753(d) of the Texas Government Code. The NOHP is allowed up to five Reservations at any given time under the Balance of the State set-aside. The NOHP may enter additional Reservations after a loan has closed and all required closing documents have been submitted to TDHCA for funding.

(d) A Reservation of funds with respect to the Program may be subject to cancellation if all documents required in the Program Manual are not submitted to the Department within ten business days of the date the registration was entered into the Reservation system and/or if the performance benchmarks outlined in these Program rules are not adhered to. Registration of an Owner-Builder applicant does not guarantee funding.

(e) Modification of loan Reservation. After a Reservation has been secured and the Owner-Builder applicant has been deemed eligible to participate in the Program, the NOHP must notify the Department of any changes to the Owner-Builder application, such as a cancellation, change in the sales price or change in the loan amount. The NOHP will not be permitted to change, exchange, replace or switch Owner-Builder applicants once the loan has been registered.

(f) Once a Reservation has been awarded, the Department may grant ~~a~~ one 45-day extension of required benchmarks due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHP's control. If the NOHP cannot meet the required benchmarks after the 45-day extension, the Reservation will be cancelled. In order to receive another Reservation on the same Owner-Builder applicant the NOHP must submit an updated application to ensure the Owner-Builder applicant still meets all guidelines and requirements under Texas Bootstrap Loan Program Rules and Program Manual.

§2.92.8 ~~Application and Award Process~~Criteria for Funding

(a) All NOFAs will be presented to the Board for approval. The Department will publish a NOFA in the Texas Register and on the Department's website. The NOFA ~~may~~ will be published as ~~either~~ an Open ~~or Competitive Application~~ Reservation Cycle. The NOFA will establish and define the terms and conditions for the submission of ~~applications~~Reservations~~, and may set a deadline for receiving applications under a Competitive Application Cycle~~. The NOFA will also indicate the approximate amount of available funds.

(b) ~~An Applicant~~A nonprofit organization must have ~~submit a completed~~ been certified by the Department as an NOHP~~Application~~ and must have executed a Loan Origination Agreement to be ~~considered for funding~~eligible to submit a Reservation on behalf of an Owner-Builder applicant. A Reservation containing false information and/or not received by the deadline will be disqualified. The NOHP will be notified in writing of any Reservations cancelled. All Reservations must be received by the Department by 5:00 p.m. of the tenth business day ~~within ten business days~~, regardless of method of delivery.~~Applications containing false information and Applications not received by the deadline will be disqualified. Disqualified Applicants are notified in writing. All Applications must be received by the Department by 5:00 p.m. on the date identified in the NOFA, and Application guidelines, regardless of method of delivery.~~

(c) ~~Applications~~ Reservations received by the Department in response to ~~an Application Cycle~~ a NOFA will be handled in the following manner:

(1) The Department will accept ~~Applications~~ Reservations until the ~~Application deadline date on the~~ all funds under the NOFA have been committed. ~~All Applications must be received during business hours (8:00 a.m. to 5:00 p.m.) on any business day.~~ The Department may limit the eligibility of ~~Applications~~ Reservations in the NOFA~~,~~ ~~and application guidelines~~ Program Manual.

(2) Each ~~Application~~ Reservation will be assigned a "received date" based on the date and time ~~it is physically~~the Reservation was entered into the Texas Bootstrap Loan Program Reservation System.

~~received by the Department. Then e~~Each ~~Application~~ Reservation will be ~~evaluated against the criteria outlined in this rule.~~ reviewed in accordance ~~to~~ with the Program rules. ~~and Manual.~~
(3) The Department will ensure that the ~~Application~~ Reservation is reviewed for the completeness of submission of all materials required under the NOFA, and ~~Application guidelines~~ information requested in the Program Manual. ~~Applications~~Reservations must comply with all applicable Texas Bootstrap Loan Program and Housing Trust Fund requirements or regulations established in these rules. ~~Applications~~Reservations that do not comply with such requirements are disqualified. Disqualified ~~Applicants~~ Reservation are notified in writing.
(4) Administrative Deficiencies. If ~~an Application contains~~Reservation contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the ~~application~~Reservation, the Department staff may request clarification or correction of such Administrative Deficiencies ~~including both threshold and/or scoring documentation~~. The Department staff may request clarification or correction in a deficiency notice in the form of an email, facsimile ~~and~~ or a telephone call to the ~~Applicant~~ NOHP advising that such a request has been transmitted. An ~~Applicant~~NOHP may not change or supplement an ~~Application~~Reservation in any manner after ~~the filing deadline~~submission, except in response to a direct request from the Department. ~~Applicants~~NOHP must submit the requested information to the Department within five business days of notification of deficiency.
~~(5) Applicants will be notified of their score in writing no later than seven calendar days after all applications have been scored. If sufficient applications are not received in the set-aside area, any remaining funds will be redirected to the balance of the state. Applicants may also receive a partial recommendation for funding. A minimum award amount may be established to ensure feasibility.~~
~~(6) Upon completion of the applicable final review and scoring, Applications will be ranked based on set-aside or balance of state and presented to the Executive Awards Review and Advisory Committee (the Committee). The Committee will then recommend to the Board awards of funds to specific Applicants.~~
(~~7~~5) The Department may decline to fund any ~~Application~~ Reservation if the proposed housing activities do not, in the Department's sole determination, represent a prudent use of the Department's funds. The Department is not obligated to proceed with any action pertaining to any ~~Applications~~Reservation which are ~~received~~entered, and may decide it is in the Department's best interest to refrain from ~~pursuing any selection process~~committing the funds.
~~(8) Subsequently, recommendations for funding will be made available on the Department's website at least seven calendar days prior to the Board meeting at which the awards may be approved.~~
~~(9) Applicants may appeal staff's decision regarding their applications in accordance with §1.7 of this title.~~
(~~10~~6) In the event of a tie between two or more ~~Applicants~~Reservations, the Department reserves the right to determine which ~~Application~~ Reservation will receive ~~a recommendation for~~ funding. The Department will give priority to Reservations to Owner-Builders with an annual income of less than $17,500 and Reservations to Owner-Builders who will reside in counties and municipalities that agree in writing to waive the capital recovery fees, building permit fee or other fees related to the building of the houses to be built with the loan proceeds. ~~This decision will be based on housing need factors and feasibility of the proposed project identified in the Application.~~ Tied ~~Applicants~~Reservations may also receive a partial recommendation for funding.
~~(d) An Application received from an Applicant with Co-Applicants will be scored accordingly:~~
~~(1) Each Applicant and Co-Applicant from an organization must meet the General Threshold Criteria as outlined in §2.10 of this chapter and Selection Criteria outlined in §2.11 of this chapter. Each Applicant and Co-Applicant must achieve a minimum threshold score of 70 points based on the Department's review in order to be considered eligible to receive a funding recommendation. If an~~

~~Applicant and/or Co-Applicant does not achieve the minimum threshold score that particular Applicant and/or Co-Applicant will be disqualified.~~
~~(2) The number of houses each Applicant and/or Co-Applicant plans to build or rehabilitate will be determined by Department Staff based on the data provided by the Applicant and Co-Applicant.~~
~~(3) The score determined for each Applicant and Co-Applicant will apply as a score to each house the Applicant and Co-Applicant plans to build or rehabilitate.~~
~~(4) The final score applied to the application will be the average of all scores weighted by the number of houses per Applicant and Co-Applicant.~~
(~~e~~d) Alternative Dispute Resolution Policy. In accordance with §2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, §2009, and Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. ~~Except as prohibited by the Department's ex-parte communications policy, the Department encourages informal communications between Department staff and applicants, and other interested persons, to exchange information and informally resolve disputes.~~ The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator. For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

~~§2.10 General Threshold Criteria~~
~~At a minimum, the following criteria must be satisfied in the Application for the Texas Bootstrap Loan Program fund. The applicable criteria are further delineated in the Application guidelines and NOFA, which are part of the application package.~~
~~(1) Needs Assessment. Applicant must demonstrate whether the proposed project meets the demographic, economic and special need characteristics of the population residing in an underserved area (colonia or Economically Distressed County as defined within the NOFA or application).~~
~~(2) Operational Capability and Experience of Applicant. Whether the Applicant has the capacity to administer and manage the proposed program/project, demonstrated through previous experience either by the Applicant, cooperating entity or key staff (including other contracted service providers), in program management, managing self-help housing, volunteer labor projects involving acquisition, rehabilitation, reconstruction, new construction, home buyer education classes, real estate finance counseling and training or other activities relevant to the proposed program.~~
~~(3) Financial Design. Applications for funding will be reviewed for written evidence of the capacity to maintain financial systems, including the responsibility of accounting staff. The Application must adequately describe the lead Applicants and co-Applicants financial standing for the last three years. The review will be based on the supporting financial data provided by Applicants and third party reports such as financial statements and audits submitted with the Application. Submission of "Independent Auditor's Report" dated within 12 months of application deadline date expressing an unqualified opinion. Report must show evidence of Applicant's capacity to maintain an effective financial system, and the extent to which Applicant has the capability to manage financial resources, as evidenced by previous experience, documentation of the Applicant or key staff, and existing financial control procedures.~~
~~(4) Leveraging of public and/or private resources. Does the applicant and/or co-applicant have private-sector support for the project from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government.~~
~~(5) Program Design. Applications for funding will be reviewed for written evidence of how the Owner-Builders will meet the 60% sweat equity requirement. Applicant must describe in detail how the~~

program guidelines will be used to identify and prioritize families earning less than $17,500. In addition Applicants must provide specific development plans, program schedules and performance benchmarks that will enable them to build units within a 24 month contract.

§2.11. Selection Criteria for Texas Bootstrap Loan Program

(a) Maximum points available is 100. Applications must achieve a minimum threshold score of 70 points based on the Department's review in order to be considered eligible to receive a funding recommendation.

(b) The following selection criteria point breakdown will be utilized when scoring Applications:

(1) Previous Award, Past Performance and First Time Applicants. (Maximum Points: 10) Applicants will receive 10 points for having received an award from the Bootstrap Program and performed in accordance with their contracts and Department rules. If performance benchmarks as outlined in contract have not been met or funds have been deobligated or if Applicant has been found in noncompliance on any prior award described in §2.12 of this chapter, a score of zero points will result. Unsatisfactory past performance on any contract will be forgiven for funding purposes if three years from the Application deadline date has elapsed and the Department, in its sole discretion, is satisfied that the conditions of such performance have been rectified. In an effort to encourage participation in the Texas Bootstrap Loan Program, first time Applicants will be awarded 10 points if the Applicant demonstrates at least three years of experience by providing details of previous projects and/or resumes of persons involved in self-help housing construction projects. Projects and resumes will be reviewed and verified by the Department staff.

(2) Letters of support. (Maximum Points: 10) Points will be awarded based on a review of the letters (up to five letters; 2 points per letter up to a maximum of 10 points.) submitted from community and/or neighborhood organizations, local businesses and commercial lenders or private individuals as well as units of local government who indicate support to the Texas Bootstrap Loan Program project. To be considered for scoring, the letters must include the company's name, contact person (full name), address, city, state, and zip code; signed and dated within twelve months of the application deadline.

(3) Readiness to Proceed. (Maximum Points: 10) Points will be awarded based on a review of the commitment letters provided to Owner-Builders interested in participating in the Texas Bootstrap Loan Program. To be considered for scoring, the letters must be on applicant's letterhead, including: Owner-Builder's name, address, city, state, zip code and phone number. Letters must be signed by both Owner-Builder and nonprofit organization and dated within twelve months of application deadline. 2 point per letter for a maximum of 10 points.

(4) Level of Homebuyer Counseling for Homebuyer Assistance. (Maximum Points: 4) Points will be awarded based on a review of the documentation submitted describing the level of homebuyer counseling proposed for potential homebuyers. Maximum of 4 points.

(A) Copy of curriculum meeting Department requirements as described in Application, 2 points; and

(B) Post purchase counseling to be provided, 2 points.

(5) Lien Position. (Maximum Points: 10) To encourage participation, the Department may subordinate its lien position if the leveraged loan is greater or equal than the Department's loan. However, liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loan, must be subordinated to the Department's loan. If the Department is in a first lien or in a parity lien position based on this standard, the Applicant will be awarded 10 points. If the Department subordinates its lien and the leveraged loan is greater than the Department's loan, the Applicant will be awarded 5 points.

(6) Operational Capability and Experience. (Maximum Points: 10) Points will be awarded based on the number of years of experience the Applicant demonstrates in managing self-help housing and volunteer labor projects, construction, real estate financing, counseling and other relevant activities. For each year of experience in managing self-help housing projects Applicant will be awarded 2 points

~~(maximum of 10 points). Must demonstrate years of experience by providing details of previous projects and/or resumes of persons involved in the self-help project must be submitted with the Application. Project and resumes will be reviewed and verified by the Department staff.~~
~~(7) Program Design. (Maximum Points: 46) Points will be awarded based on the comprehensive and thorough program design. Points are awarded only to the extent the design is well planned and a sound proposal is submitted:~~
~~(A) Describe in detail by identifying what construction activities will be done by the Owner-Builder to meet the 60% sweat equity construction requirement will be met; (20 points)~~
~~(B) Provide the program guidelines that will be used select the Owner-Builders (8 points~~
~~(C) Describe how families earning less that $17,500 will be identified and prioritized (8 points)~~
~~(D) Describe the specific development plans, program/construction schedule and performance benchmarks that will enable the Applicant to select and qualify Owner-Builders and build or rehabilitate houses within a 24 month contract; (10 points)~~

§~~2.122~~.9 Program Administration

(a) Per household assistance from the Department for any Texas Bootstrap Loan Program loans may not exceed $45,000 per-household pursuant to §2306.754(b) of the Texas Government Code. The Owner-Builder must obtain the amount necessary that exceeds $45,000 from other sources of funds. The total amount of Amortized repayable loans made by the Department and other entities to an Owner-Builder under the Program may not exceed $90,000 pursuant to §2306.754 (b) of the Texas Government Code. For purposes of these rules, a Grant includes a forgivable loan.
(b) A loan made by the Department shall be secured by a first lien on the real property if the Department's loan is the largest Amortized, repayable loan secured by the real property; or
(c) The Department may accept a parity lien position if the original principal amount of the leveraged loan is equal to or greater than the Department's loan; or
(d) The Department may accept a subordinate lien position if the original principal amount of the leveraged loan is at least $1,000 or greater than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinate to the Department's loan.
(e)The Department, through an NOHP, shall make loans for Owner-Builder applicants to enable them to:
(1) purchase or refinance real property on which to build new residential housing;
(2) build new residential housing; or
(3) improve existing residential housing
(f) The NOHP will be granted a six percent administration fee upon completion of the house and closing of each mortgage loan.
(g~~a~~) Loan Origination Agreement. Upon approval by the ~~Board~~Department, ~~Applicants receiving Texas Bootstrap Loan Program funds~~the nonprofit organization certified as an NOHP or Colonia Self-Help Centers shall enter into, execute, and deliver to the Department the Loan Origination Agreement.~~all written agreements between the Department and Applicant~~NOHP.
(~~b~~h) Amendments. The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Program written agreement provided that:
(1) Time extensions. The Executive Director may collectively provide up to one six-month extension to the end date of any Loan Origination Agreement. Any additional time extension granted by the Executive Director shall include a statement by the Executive Director relating to unusual, non-foreseeable or extenuating circumstances. If the extension is longer than six months and the Executive Director determines that a statement related to unusual, non-foreseeable, or extenuating circumstances cannot be issued, it will be presented to the Governing Board for approval, approval with

modifications, or denial of the requested extension;~~in the case of a modification or amendment to the dollar amount of the award, such modification or amendment does not increase the dollar amount by more than 25% of the original award or $50,000, whichever is greater;~~ and
(2) ~~in~~ In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department ~~as a result of the award~~.
~~(3) Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or $50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for consideration.~~
(e~~i~~) Sanctions/Deobligation. The Department will apply its Administration Rules, Title 10, Part 1, Chapter 1, Texas Administrative Code. ~~The Department in accordance with its Administrative Rules may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the program in the following situations:~~
~~(1) Technical Assistance Provider has any unresolved compliance issues on existing or prior contracts with the Department;~~
~~(2) Technical Assistance Provider fails to set-up programs/projects or expend funds as outlined in the program Contract;~~
~~(3) Technical Assistance Provider defaults on any agreement by and between Technical Assistance Provider and the Department;~~
~~(4) Technical Assistance Provider misrepresents any facts to the Department during the Program application process, award of contracts, or administration of any Department contract;~~
~~(5) Technical Assistance Provider demonstrates the inability to provide adequate financial support to administer the Program contract or withdrawal of significant financial support;~~
~~(6) Technical Assistance Provider fails to build or rehabilitate the number of houses under the contract.~~
(7) The Department may use all applicable ~~contract~~ provisions and/or any relevant rules to assure compliance with these rules or ~~contract~~ Loan Origination Agreement~~terms~~.
(d) ~~Waiver. The Board, in its discretion and within the limits of federal and state law, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, of the Texas Government Code, or for good cause, as determined by the Board.~~
(e~~j~~) Additional Funds. In the event the Department has additional funds in the same funding cycle, the Department, with Board approval, ~~may elect to~~will distribute funds ~~to other Applicants~~ in accordance to §2.7 (a) and (b).
(f~~k~~) The Department may terminate ~~a contract~~ the Loan Origination Agreement in whole or in part. If NOHP ~~Technical Assistance Provider~~ has not achieved performance benchmarks as outlined in ~~contract~~ Loan Origination Agreement, Program rules and Manual ~~within six (6) months of the effective date of the contract, the contract may be terminated. The Department will track substantial progress during the initial six (6) month period and throughout the contract term.~~ Performance benchmarks must be satisfactorily completed ~~during the term of the contract~~ as follows:
(1) If the Owner-Builder applicant qualifies for the Program, the Department will issue an applicant eligibility letter (approval letter) which reserves the funds (up to $45,000 per Reservation) for 12 months from the Reservation date. Owner-Builder applicant will not be required to re-qualify for the Program if the Owner-Builder applicant closes on the loan on or before the expiration date stated on the applicant eligibility letter issued by the Department. If the Owner-Builder fails to close on the loan on or before the expiration date stated on the applicant eligibility letter, the Owner-Builder applicant will be required to re-qualify for the Program.

In an effort to expedite expenditure of funds, the NOHP will be required to meet specific performance benchmarks on the home within 12 months of the Reservation. If the NOHP fails to meet the required benchmarks, the Reservation may be subject to cancellation in accordance with the Loan Origination Agreement. The Department may provide ~~a~~ one 45-day extension to benchmark deadlines due to extenuating circumstances that were beyond the Owner-Builder's and/or the NOHP's control. If the NOHP cannot meet the required benchmarks after the 45-day extension, the Reservation will be cancelled. In order to receive another Reservation on the same Owner-Builder applicant the NOHP will be instructed to submit an updated application if funds are available, to ensure the Owner-Builder applicant meets all Texas Bootstrap Loan Program Rules ~~and guidelines~~.

Once an Owner-Builder has been deemed eligible and funds have been reserved, the NOHP must meet the following performance benchmarks depending on the type of loan being requested:

(a) Purchase Money Loan:

- Within 90 days of the respective Reservation date the NOHP must have initiated the preconstruction process, which includes the homeownership education and counseling programs of the organization.
- Within 180 days of the respective Reservation date construction must have started on the unit; and
- Within one year of the respective Reservation date the unit must be 100 percent complete and the purchase money loan must have closed with the Owner-Builder applicant.

(b) Interim and Residential Construction Loans:

- Within 90 days of the respective Reservation date, the loan must close and construction must have started on the unit;
- Within 180 days of the respective Reservation date, the unit must be at 40 percent completion;
- Within 270 days of the respective Reservation date, the unit must be at 80 percent completion; and
- Within one year of the respective Reservation date, the unit must be 100 percent complete and the purchase money loan must have closed with the Owner-Builder applicant.

~~(1) By the end of the second quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval a minimum of 50% of the eligible Owner-Builder applicants to the Department.~~

~~(2) By the end of the third quarter from the effective date of the contract period, the Technical Assistance Provider must have submitted for approval 100% of all eligible Owner-Builder applicants to the Department.~~

~~(3) By the end of the fourth quarter from the effective date of the contract period, the Technical Assistance Provider must ensure that 50% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and started construction on their home.~~

~~(4) By the end of the fifth quarter from the effective date of the contract period the Technical Assistance Provider must ensure that 100% of the approved Owner-Builder applicants have completed all of the Department's loan closing documents as applicable and have started construction on their home.~~

~~(5) By the end of the sixth quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 50% of houses awarded under the contract are completed and meet all applicable codes and standards.~~

~~(6) By the end of the seventh quarter from the effective date of the contract period, Technical Assistance Provider must ensure that 100% of houses awarded under the contract are completed and meet all applicable codes and standards.~~
~~(7) The eighth quarter is reserved to complete and fund the remaining houses, project close-out and the Department monitoring functions.~~
~~(8) Loan closing will take place at a title company and the funds will be disbursed upon receipt of proper documentation from the title company selected by the Technical Assistance Provider or the Department. All other draws will be disbursed as described in the Program Documents.~~
(~~9~~2) Quarterly reports are due by the ~~Technical Assistance Provider~~NOHP to the Department on the 20th of the month following the end of each calendar quarter. All funding ~~will~~ may be suspended until reports are received.
~~(g) Lower percentages may be allowed as approved by the Department due to an extenuating circumstance. An extenuating circumstance is an event or set of incidents beyond the control of the Technical Assistance Provider as determined by the Department.~~
(~~h~~l) Roles and responsibilities for administering the ~~p~~Program contract. NOHPs ~~Technical Assistance Provider's (TAP)~~ are required to:
(1) Qualify potential Owner-Builders for loans;
(2) Provide Owner-Builder homeownership education classes;
(3) Supervise and ~~A~~assist Owner-Builders in building and/or rehabilitate housing;
(4) Facilitate loans made or purchased by the Department under the Program; and
(5) Implement and administer the Program on behalf of the Department
(~~i~~m) Loan Origination/Loan Servicing. An NOHP ~~Technical Assistance Provider who receives an award or a reservation of funds may request to~~must enter into a Loan Origination Agreement with the Department in order to participate in the Program. If the NOHP wishes to service the loans originated on behalf of the Department it must enter into a ~~and/or~~ Loan Servicing Agreement with the Department. The Department may grant the request upon reviewing the NOHP ~~Technical Assistance Provider's~~ capacity to implement those specific functions.
(~~j~~n) First Year Consultation Agreement. The NOHP ~~Technical Assistance Provider~~ agrees that if notified by the Department that Owner-Builder ~~(Mortgagee)~~ has failed to make a scheduled payment due under the Program ~~L~~loan, or other payments due under the Program ~~L~~loan documents issued under the ~~Contract~~Program, within the first twelve (12) months of funding, the NOHP ~~Technical Assistance Provider~~ will be required to meet with the Owner-Builder and provide counseling and assistance until the payments are made current. After consultation and in the event that the Department and NOHP ~~Technical Assistance Provider~~ are not able to reach a consensus about NOHP ~~Technical Assistance Provider~~'s effort to bring the Program ~~L~~loan current as required under this chapter, the Department in accordance with its ~~A~~administrative ~~R~~rules may apply appropriate graduated sanctions leading up to, but not limited to deobligation of funds and future debarment from participation in the program.
(~~k~~o) Conflict of Interest. The NOHP ~~Technical Assistance Provider~~ shall ensure that no employee, officer, or agent of NOHP ~~Technical Assistance Provider~~ shall participate in the selection, or in the award or administration of a subcontract supported by funds provided under this program if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: the employee, officer, or agent; any member of his or her immediate family; his or her partner; or, any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. The NOHP ~~Technical Assistance Provider~~ may not accept an application from any of its officers or employees nor any spouse or person related within the third degree of affinity (marriage) or consanguinity (blood) to any officer or employee of the NOHP~~Technical Assistance Provider~~.
(~~l~~p) Administrative Fee. The NOHP ~~Technical Assistance Provider~~ may request ~~50% of~~ their administrative fee ~~when 100% of all applicants have been approved by the Department. The remaining~~

~~50% may be requested on a unit basis when each home is 100% completed and funded.~~ upon completion of the house and closing of each mortgage loan.
(~~mq~~) Blueprints. If NOHP's ~~Technical Assistance Provider's~~ activity is interim or residential construction, NOHP ~~Technical Assistance Provider~~ must provide an original copy of the proposed blue prints to be approved by the Department prior to accepting applications. Blue ~~P~~prints must include the required construction requirements pursuant to §2306.514 of the Texas Government Code.
(~~nr~~) Work Write-up. The NOHP ~~Technical Assistance Provider~~ must ~~establish~~ submit ~~written rehabilitation standards to apply to~~ a work write-up for all rehabilitation projects. At a minimum, NOHP ~~these standards~~ must ensure that the home will meet Colonia Housing Standard or Housing Quality Standards. Work write-ups must be reviewed and approved by the Department, before rehabilitation is started. The NOHP ~~Technical Assistance Provider~~ must also adopt a set of general specifications that provide detailed guidance to Owner-Builders and contractors on how to complete specific items in a work write-up.
(~~os~~) Loan program requirements. The Department may purchase or originate loans that conform to the lending parameters and the specific loan Program requirements as follows:
(1) Maximum Loan amount not to exceed ~~$30,000~~$45,000. If it is not possible for the Owner-Builder to purchase necessary real property and build adequate housing for ~~$30,000~~$45,000, the NOHP ~~Technical Assistance Provider~~ must obtain additional funding from ~~one or more local governmental entities, nonprofit organization, or private lender~~other sources of funds;
(2) Minimum Loan amount is $1,000;
(3) The total amount of all Amortized repayable loans under the Program may not exceed ~~$60,000~~$90,000 ~~(repayable amortized loans)~~. Deferred forgivable loans are not included in these total loan calculations;
(4) May not exceed a term of 30 years;
(5) Minimum loan term of 5 years;
(6) 0~~%~~ percent non-interest loans;
~~(7) The Department may subordinate to a lien that secures the amount above $30,000 when necessary as further described in §2.15(3) of this chapter;~~
(~~8~~7) When refinancing a contract for deed, the Department will not disburse any portion of the Department's loan until the Owner-Builder receives a deed to the property;
(~~9~~8) Owner-builder(s) must have resided in this State for the preceding six months prior to the date of application;
(~~10~~9) Total Debt-to-Income Ratio: Maximum of 45% (unless otherwise dictated by the mortgage insurer, if any);
(10) Credit Qualifications: Owner-Buidllder applicants must have a credit history that indicates reasonable ability and willingness to meet debt obligations. In order for the Department to make a reasonable determination, the Department will obtain a tri-merge credit report on all Owner-Builder applicants submitted to the Department for approval.
(11) Indicators of unacceptable credit include:
(a) Payments on any account which has been delinquent for more than 30 days on three or more occasions within the last 12 months prior to the date of application.
(b) A foreclosure which has been completed within the last 12 months prior to the date of application.
(c) An outstanding Internal Revenue Service tax lien or any other outstanding tax liens where Owner-Builder applicant has made no satisfactory payment arrangements.
(d) A court-created or court-affirmed obligation or judgment caused by nonpayment that is currently outstanding or has been outstanding within the last 12 months and Owner-Builder applicant has made no satisfactory payment arrangements.
(e) Any account that has been placed for collection or profit or loss within the last 12 months prior to the date of application.

(f) Any delinquency on any government debt.
(g) A bankruptcy that has been filed within the past 12 months prior to the date of application.
(12) The following will not be considered indicators of unacceptable credit:
(a) A bankruptcy in which debts were discharged more than 24 months prior to the date of application or where an applicant successfully completed a bankruptcy debt restructuring plan and has demonstrated a willingness to meet obligations when due for the 12 months prior to the date of application.
(b) A judgment satisfied more than 12 months before the date of application.
(c) Medical accounts that are delinquent or that have been placed for collection.
(~~11~~13) Liabilities: The Owner-Builder applicant's liabilities include all revolving charge accounts, real estate loans, alimony, child support, installment loans, and all other debts of a continuing nature with more than 10 monthly payments remaining. Debts for which the Owner-Builder applicant is a co-signer will be included in the total monthly obligations unless the other party to the ~~note~~ debt provides evidence ~~in the form of 12 months' canceled checks or bank statements~~ showing that the Owner-Builder applicant has not been making payments on the co-signed loans for the previous 12 months. There may be no late payments within the past 12 months or the debt will be included. Payments on installment debts which are paid off prior to funding are not included for qualification purposes. Payments on all revolving debts (i.e. credit cards, payday loans, lines of credit, unsecured loans) and certain types of installment loans that appear to be recurring in nature will be included in debt ratio calculation, even if the Owner-Builder applicant intends to pay off the accounts, since the Owner-Builder applicant can reuse those credit sources, unless the account is paid off and closed. Any bankruptcy must have been discharged or, dismissed in addition the Department will require that the Owner-Builder applicant to submit a letter of explanation regarding the circumstances that led to the bankruptcy. ~~If an Owner-Builder has had a foreclosure within the past 24 months they may not be eligible to participate in the program.~~
(~~12~~14) Must be a detached single-family residence or property located within the State of Texas. Manufactured homes are not eligible. All property taxes must be current prior to closing.
(~~13~~15) The residence must be occupied as the principal residence of the Owner-Builder within thirty (30) days of the later of the end of the construction period or the closing of the loan. Any additional habitable structures must be removed from the property prior to closing. Portion of the former structure may be utilized as storage upon the Department's written approval prior to closing.
(~~14~~16) Escrow Account-- An account to which the borrower contributes monthly payments to cover the anticipated costs of real estate taxes, hazard and flood insurance premiums, and other related costs. ~~Besides the loan payments, other costs associated with being a homeowner include real estate taxes, hazard insurance and flood insurance premiums, and related costs such as street or water assessments. The Department has an interest in making certain that these costs are paid in order to protect the property from tax sale or foreclosure, and to make certain that funds will be available to repair the property should it be damaged.~~ The Department will require that up to two months of reserves for hazard and/or flood insurance and property taxes be collect at the time of closing and these funds must be deposited with the mortgage loan servicer. In addition, the Department will also require that the property taxes be prorated at the time of closing and those funds be deposited with the mortgage loan servicer. The Owner-Builders will be required to deposit monthly funds to an escrow account with the ~~1st lien holder~~mortgage loan servicer in order to pay the taxes and insurance ~~statements~~. This will ensure that funds are available to pay for the cost of real estate taxes, insurance premiums, and other assessments when they come due. These funds are included in the Owner-Builders monthly payment to the mortgage loan servicers~~Department~~. ~~If the Department is in a 1st lien position the Department~~The mortgage loan servicer will establish and administer the escrow accounts in accordance with the Real Estate Settlement and Procedures Act of 1974 (RESPA).

(~~15~~17) Non-Purchasing Spouse~~--~~An Owner-Builder applicant's spouse who does not apply for the loan will be required to execute the information disclosure form, the deed of trust as a "non-purchasing" spouse and will not be required to execute the note. For credit underwriting purposes~~;~~ the non-purchasing spouse's debts and obligations will be considered in the Owner-Builder total debt-to-income ratio. ~~t~~The Owner-Builder applicant~~'s spouse~~ will be qualified using obligations for which the Owner-Builder applicant~~'s~~ and non-purchase spouse ~~is~~are ~~-~~personally or jointly liable. Only the income of the Owner-Builder applicant ~~spouse~~ will be ~~counted~~ used in determining the total debt to income ratio. For program eligibility purposes, the income of a non-applicant spouse must be included in the calculation of family income. Tax Returns, W2's and recent pay check stubs, or Verification of Employment must be submitted to document ~~family~~household income.

~~(p) The Department, acting by and through its Executive Director or his/her designee, may authorize, execute, and deliver modifications and/or amendments to any Texas Bootstrap Loan Program proposal or written agreement provided that:~~

~~(1) In the case of a modification or amendment to the dollar amount of the request or award, such modification or amendment does not increase the dollar amount by more than 25% of the original request or award, or $50,000, whichever is greater;~~

~~(2) In the case of all other modifications or amendments, such modification or amendment does not, in the estimation of the Executive Director, significantly decrease the benefits to be received by the Department as a result of the award; and~~

~~(3) Modifications and/or amendments that increase the dollar amount by more than 25% of the original award or $50,000, whichever is greater; or significantly decrease the benefits to be received by the Department, in the estimation of the Executive Director, will be presented to the Board for approval.~~

(t) Loan Assumption: A Program loan is assumable if the Department determines that the Owner-Builder applicant complies with all Program restrictions in effect at the time of the assumption.

§~~2.13~~2.10 Owner-Builder Qualifications

The Owner-Builder must:

(1) Own and be refinancing or be purchasing a piece of real property through a warranty deed or Contract for Deed;

(2) Not have an annual household income that exceeds 60~~%~~ percent of the greater of the state or local area median family income as determined by HUD income guidelines;

(3) Demonstrate the willingness and ability to repay the loan;

(4) Execute a Self-Help Agreement committing to provide through personal labor at least ~~60%~~65 percent of the labor necessary to build or rehabilitate the proposed housing working through a state-certified NOHP; or provide an amount of labor equivalent to ~~60%~~65 percent in connection with building or rehabilitating housing for others through a state certified NOHP; provide through the noncontract labor of friends, family, or volunteers and through personal labor at least 65 percent of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP or if due to a documented disability or other limiting circumstances the owner-builder cannot provide the amount of personal labor otherwise required, provide through the noncontract labor of friends, family or volunteers at least 65 percent of the labor necessary to build or rehabilitate the proposed housing by working through a state certified NOHP. ~~For elderly or Owner-Builders with disabilities, 60% sweat equity may be documented in form of volunteers;~~

(5) Not have liquid assets in excess of $25,000 (excluding retirement and/or 401K accounts);

(6) Successfully complete an Owner-Builder homeownership education class prior to loan ~~approval~~funding;

(7) Be given priority for loans if the Owner-Builder has an income of less than $17,500 annually;

(8) Not be currently in delinquency or in default with child support and/or government loans;

(9) Not have any outstanding judgments and/or liens on the property.

§2.142.11 Types of Funding Transactions

All mortgage loans will be evidenced by a promissory note and will be secured by a lien on the subject property. The following transaction types are permitted by the Department under the Program.

(1) Purchase Money. In a purchase money transaction, all proceeds are used to finance the purchase of a single-family dwelling unit and/or a piece of real property which will be the Owner-Builders primary residence within 30 days of closing the loan. In this instance, a permanent loan is made and the Owner-Builder's repayment obligation begins immediately. In certain situations, eligible closing costs may be financed by the loan proceeds.

(2) Residential Construction (One Time Closing with Owner Builder). An interim construction loan, also known as a residential construction loan, this transaction is treated as a purchase, because it is a one time closing with the Owner-Builder. Construction period is for 12 months at which time payments will begin on the 13th month after closing.

(3) Interim Construction (Closing with NOHP~~Technical Assistance Provider~~). Interim construction is a commercial transaction between the NOHP ~~Technical Assistance Provider~~ and the Department. The construction period is for 12 ~~months,~~months; once the construction of the home is completed the closing with the Owner-Builder will take place as a purchase money transaction.

(4) Purchase of Mortgage Loans. The Department may purchase and take assignments from mortgage lenders of notes and other obligations evidencing loans or interest in loans for purchase money transactions as described in subsection (1) or for residential construction transactions as described in subsection (2).

~~**§2.15 Leveraged Loans**~~

~~When additional loans are utilized in addition the loan under this program, lenders are expected to charge reasonable and customary interest rates and fees. The Technical Assistance Provider may be able to help the applicant negotiate favorable terms.~~

~~(1) The leverage loan interest rate may be no more than 3.5% above the FHA rate at the time of closing. Also, the lender may not include "points" to buy down or pre-pay the interest.~~

~~(2) Loan fees must be minimized and all fees must be reasonable. "Underwriting fees" and similar add-ons are not permitted. The total fees paid to the lender may not exceed 3.5% of the lender's loan. (This limitation on the lender applies regardless of whether the buyer or seller pays the fees.) In general, the Technical Assistance Provider must assure loan fees are minimized. The 3.5% is a maximum, not a baseline.~~

~~(3) The Department may accept a parity or subordinate lien position if the leveraged loan is greater or equal than the Department's loan. However liens related to other subsidized funds provided in the form of grants and nonamortizing loans, such as deferred payment or forgivable loans, must be subordinated to the Department's loan.~~

§2.162.12 Property guidelines and related issues

~~(a) At a minimum, properties located in a colonia financed by the Department must meet Colonia Housing Standards ("CHS") only if no additional financing options are available. Properties located in all other areas must meet at a minimum Section 8 Housing Quality Standards (HQS). The applicable "HQS" or "CHS" Inspection report must be completed for each subject property where Housing Trust Funds are being utilized for Interim or Residential construction.~~

(~~b~~a) If the NOHP ~~Technical Assistance Provider~~ is utilizing program funds to construct the home they must conform to §2306.514 of the Texas Government Code.

(b) If the property is located within an incorporated area where certain building codes must be met, the Department will require a copy of the certificate of occupancy. If the no certificate of occupancy is available the NOHP must obtain a document showing that the home has passed all required codes from

the local governing entity must be submitted to the Department upon completion of construction. If the property is located outside an incorporated area at a minimum, inspections will be required. Inspections will be required for all housing rehabilitation (initial and final), reconstruction (initial and final) and new construction (final only) activities and must be inspected by a professional inspector licensed by the Texas Real Estate Commission, a professional engineer licensed by the Texas Board of Engineering, an architect registered with the Texas Board of Architectural Examiners, or a third-party inspector registered with the Texas Residential Construction Commission to perform home inspections.

(1) The final inspections for housing rehabilitation must ensure that the construction on the house is complete, that the home is safe, sound and sanitary. A copy of the final inspection report must be given to the homeowner.

(2) The final inspections for reconstruction and new construction must ensure that the construction on the home is complete, that the home is safe, and that it meets, at a minimum, International Residential Code (IRC). IRC is a comprehensive residential code which establishes minimum construction requirements with plumbing, mechanical, energy, and electrical provisions. A copy of the final inspection report must be given to the homeowner.

(3) The Contractor must ensure and verify that each construction contractor performing activities in the amount of $10,000.00 or more under the Contract is registered and maintains good standing with the Texas Residential Construction Commission

(4) The Contractor must ensure and verify that each housing unit being rehabilitated in the amount of $10,000.00 or more under the Contract is registered with the Texas Residential Construction Commission

All final inspections must ensure that the construction on the house is complete and that the home is safe. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior to closing. Cosmetic issues such as paint, wall texture, etc. will not be required to be corrected since this is a self-help construction Program.

~~(e) If the property is located within an incorporated area where certain building codes must be met a certificate of occupancy must be submitted to the Department upon completion of construction. If the property is located outside of an incorporated area, an inspection by a certified third party licensed inspector must be completed and submitted to the Department upon completion of construction. In both instances any deficiencies noted on the certificate of occupancy or the third party inspector's report must be corrected prior closing.~~

(~~d~~c) Appraisals ~~will be~~are required by the Department on each ~~loan~~ property prior to funding.

(d) Maximum loan to value ratio may not exceed 95 percent, the lien amounts of forgivable loans and/or grants will not be included in the loan-to-value calculation.

(e) Improvement Surveys are ~~required. Lot and final surveys will be required to~~required on each property ~~be submitted~~.

(f) Insurance requirements:

(1) Title Insurance. The title insurance must be written by a title insurer licensed to do business in the jurisdiction where the mortgaged property is located.

(A) Title Commitment. A copy of the preliminary title report including complete legal description, and copies of covenants, conditions and restrictions, easements, and any supplements thereto is required. The preliminary title report should not be more than ~~ninety (90)~~thirty (30) days old at the time the submission package (Submission or Funding Package) is sent to the Department.

(B) Mortgagee's Policy. The Department requires a Mortgagee's policy of title insurance in the amount of the loan. ~~Loss Payee~~ The Mortgagee named shall be: "Texas Department of Housing and

Community Affairs." Required endorsements include-T-36 Environmental Endorsement for all loans made by the Department.
(2) Property Insurance.
(A) Builder's Risk is required where construction of the residence is being financed by the Department. At the end of the construction period, the binder must be endorsed to remove the "pending disbursements" clause.
(B) Hazard Insurance. The Department requires property insurance for protection against loss or damage from the following perils: fire, windstorm, hail, explosion, riot, and civil commotion, damage by aircraft, vehicles or smoke. Homeowner's policies or package policies that provide property and liability coverage are acceptable. All risk policies are acceptable. The amount of hazard insurance coverage at the time the loan is funded must be no less than 100% percent of the current insurable value of improvements. The Department will require that the premium for a 12 month homeowner's policy and up to 2 months of reserve be collected at closing and name the Department as ~~mortgagee~~loss payee.
(C) Flood insurance is required for all structures located in special flood hazard areas where the U.S. Federal Emergency Management Agency (FEMA) has mandated flood insurance coverage. In addition ~~T~~the Department ~~will~~ requires a ~~l~~Life of ~~l~~Loan ~~f~~Flood ~~c~~Certification on all loans. ~~The Department is not originating the loan, but rather purchasing the loan.~~ The flood certification must be part of the ~~Submission or~~ Funding Package ~~and must be transferred to the Department~~. Flood insurance is not required if the ~~Technical Assistance Provider~~ NOHP or Owner-Builder applicant obtains a Letter of Map Amendment from FEMA stating that the area is no longer classified as a special flood hazard area. The letter must include a map illustrating the amended flood hazard area. An Owner-Builder applicant may elect to obtain flood insurance even though flood insurance is not required. However, the Owner-Builder applicant may not be coerced into obtaining flood insurance unless it is required in accordance with this section. Evidence of insurance must be obtained prior to loan funding. Insurance premiums for at least 12 months and up to two months of reserves will be collected at closing~~must be paid in advance~~. The Department must be named as loss payee on ~~or~~ the policy ~~must be endorsed to the Department~~.

§~~2.17~~2.13 Nonprofit Owner-Builder Housing Program (NOHP) Certification
(a) Definitions and Terms. The following words and terms, when used in this section, shall have the following meanings, unless the context clearly indicates otherwise.
(1) Applicant--A ~~private~~ nonprofit organization that has submitted a request for certification as a NOHP to the Department. An Applicant for the Texas Bootstrap Loan Program must be a NOHP certified by the Department.
(2) Articles of Incorporation--A document that sets forth the basic terms of a corporation's existence and is the official recognition of the corporation's existence. The documents must evidence that they have been filed with the Secretary of State.
(3) Bylaws--A rule or administrative provision adopted by a corporation for its internal governance. Bylaws are enacted apart from the articles of incorporation. Bylaws and amendments to bylaws must be formally adopted in the manner prescribed by the organization's articles or current bylaws by either the organization's board of directors or the organization's members, whoever has the authority to adopt and amend bylaws.
(4) Resolutions--Formal action by a corporate board of directors or other corporate body authorizing a particular act, transaction, or appointment. Resolutions must be in writing and state the specific action that was approved and adopted, the date the action was approved and adopted, and the signature of person or persons authorized to sign resolutions. Resolutions must be approved and adopted in accordance with the corporate bylaws.

(b) Application Procedures for Certification of NOHP. An Applicant requesting certification as a NOHP must submit an application for NOHP certification in a form prescribed by the Department. The NOHP application must be submitted prior to submitting an application for Texas Bootstrap Loan Program ~~funding~~Reservation System, and ~~be~~ must be recertified every three years. The application must include documentation evidencing the requirements of this subsection.
(1) Applicant must have the following legal status at the time of application to apply for certification as a NOHP:
(A) The ~~a~~Applicant must be organized as a ~~private~~ nonprofit organization under the Texas Nonprofit Corporation Act or other state not-for-profit/nonprofit statute as evidenced by Charter or Articles of Incorporation.
(B) The Applicant must be registered and in good standing with the Secretary of State, State Comptroller's Office and the Texas Residential Construction Commission to do business in the State of Texas.
(C) No part of the ~~private~~ nonprofit organization's net earnings may inure to the benefit of any member, founder, contributor, or individual, as evidenced by Charter or Articles of Incorporation.
(D) The Applicant must have the following tax status:
(i) A current tax exemption ruling from the Internal Revenue Service (IRS) under §501(c)(3), a charitable, nonprofit corporation, of the Internal Revenue Code of 1986, as evidenced by a certificate from the IRS that is dated 1986 or later. The exemption ruling must be effective on the date of the application and must continue to be effective while certified as a NOPH, or
(ii) Classification as a subordinate of a central organization non-profit under the Internal Revenue Code §501(c)(3), as evidenced by a current group exemption letter, that is dated 1986 or later, from the IRS that includes the Applicant. The group exemption letter must specifically list the Applicant.
(iii) A ~~private~~ nonprofit organization's pending application for §501(c)(3) status cannot be used to comply with the tax status requirement under this subparagraph.
(E) The Applicant must have among its purposes the provision of decent housing that is affordable to low and moderate income people as evidenced by a statement in the organization's Charter, Articles of Incorporation, Resolutions or Bylaws:
(2) An Applicant must have the following capacity and experience listed in subparagraphs (A) - (C) of this paragraph.
(A) Conforms to the financial accountability standards of 24 CFR 84.21, "Standards of Financial Management Systems" as evidenced by:
(i) notarized statement by the Executive Director or chief financial officer of the organization in a form prescribed by the Department; or
(ii) certification from a Certified Public Accountant.
(B) Has a demonstrated capacity of at least one year for carrying out mortgage loan origination and self-housing construction activities ~~assisted with Texas Bootstrap Loan Program funds~~, as evidenced by resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with Texas Bootstrap Loan Program funds; or contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with Texas Bootstrap Loan Program funds, to train appropriate key staff of the organization.
~~(C) Has a history of serving the community within which housing to be assisted with Texas Bootstrap Loan Program funds is to be located as evidenced by:~~
~~(i) statement that documents at least one year of experience in serving the community; or~~
~~(ii) for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.~~
~~(iii) The NOHP or its parent organization must be able to show one year of serving the community prior to the date the Department provides funds to the organization. In the statement, the organization~~

~~must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing and rehabilitating existing stock. The statement must be signed by the president or other official of the organization.~~

(3) An Applicant must ~~have the following organizational structures~~submit a current roster of all Board of Directors, including names and mailing addresses.~~:~~

~~(A) written provision or statement in the organizations By-laws, Charter or Articles of Incorporation;~~

~~(B) affidavit in a form prescribed by the Department signed by the organization's Executive Director and notarized; and~~

~~(C) current roster of all Board of Directors, including names and mailing addresses.~~

(~~D~~4) A local or state government and/or public agency cannot qualify as a NOHP, but may sponsor the creation of a NOHP.

(45) Religious or Faith-based Organizations may sponsor a NOHP if the NOHP meets all the requirements of this section. While the governing board of a NOHP sponsored by a religious or a faith-based organization remains subject to all other requirements in this section, the faith-based organization may retain control over appointments to the board. If a NOHP is sponsored by a religious organization, the following restrictions also apply:

(A) Housing developed must be made available exclusively for the residential use of program beneficiaries and must be made available to all persons regardless of religious affiliations or beliefs;

(B) A religious organization that participates in the Texas Bootstrap Loan program may not use Texas Bootstrap Loan Program funds to support any inherently religious activities such as worship, religious instruction, or proselytizing;

(C) Texas Bootstrap Loan Program funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms which a faith-based NOHP uses as its principal place of worship are always ineligible.

(D) Compliance with subparagraphs (A) - (C) of this paragraph may be evidenced by the Organizations By-laws, Charter or Articles of Incorporation.

(6) A Colonia Self-Help Center as defined under Subchapter Z, Chapter 2306 of the Texas Government Code is not required to complete the NOHP Certification process as long as it provides a letter from the appropriate funding entity demonstrating a good standing performance and/or certification standing.

(c) Program Design. Organizations must provide written evidence on how the Owner-Builder will meet the 65 percent sweat equity requirement.

(d) Applicant must provide details, such as number of houses they are proposing to build, type of proposed financing structure and construction timeliness in order to show evidence of its ability to carry out the Texas Bootstrap Loan Program.

(e) Applicant must provide copies of program guidelines used to qualify Owner-Builders and homebuyer course curriculum in order to show evidence of its experience in qualifying potential Owner-Builders; providing education classes, counseling and training;

(f) Applicant must submit any past due audit to the Department in a satisfactory format on or before the Application deadline;

(g) Applicants must be in compliance in any existing or prior contracts awarded by the Department;

(~~e~~h) The Department may certify NOHP's meeting all of the above criteria operated by a tax-exempt organization listed under §501(c)(3), Internal Revenue Code of 1986 to:

(1) qualify potential Owner-Builders for loans under this chapter;

(2) provide Owner-Builder education classes;

(3) assist Owner-Builders in building or rehabilitating housing; and

(4) originate and/or service loans~~ made under this chapter~~.

OFFICE OF ARRA ACCOUNTABILITY AND OVERSIGHT

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation and Discussion on a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (ARRA).

Required Action

None required.

Background

This item provides an update since the previous Board meeting on the status of the Department's activity relating to overall ARRA activities as well as each of the ARRA programs.

All ARRA Programs/Department Wide:

Since the last Board update, the following internal tasks have occurred relating to ARRA programs:

- Procurement Opportunities: Staff is initiating several steps to improve access to procurement opportunities. The Department is requiring all subrecipients under any ARRA contract to post their procurement opportunities on the Department's website in a uniform location (as well as follow all applicable state and federal procurement requirements). This section of the Department's website will cover both Department procurement opportunities related to ARRA, as well as those of ARRA funds subrecipients. We are also creating an additional listserve group for ARRA, including ARRA procurement opportunities, so that subscribers can be updated regularly.
- Staff has developed, and is finalizing, a "requirements tool" that cross-references each ARRA activity with the extensive number of federal requirements that may or may not apply to each activity. The completed tool will ensure uniform application of the General Counsel's legal opinions and will assist management in staffing and decision-making.
- Staff is finalizing the development of contractual language to be included in every ARRA funded contract that ensures all applicable state and federal requirements are being clearly addressed and responsibilities assigned to subrecipients. Examples include the requirements referenced in the prior item, as well as requirements denoted in Governor Perry's Executive Order 70 that requires, among other things, that all ARRA subrecipients post all jobs on the WorkinTexas website.
- A Request for Information has been drafted and is pending issuance, for Asset Management functions relating jointly to Tax Credit Exchange Program, Tax Credit Assistance Program, and the Rental funds associated with Disaster Recovery. This RFI will enable the Department to issue the best possible request for proposals and will also aid in developing the best possible network of potential bidders.
- Extensive information gathering sessions are ongoing between program areas and Information Systems to institute needed data systems.

ARRA Program Specific Updates are provided on the attached table.

Program Amount Fed Agency Tot Fed Avail.	Eligible Activities	Anticipated Contract Recipients	Allocation of Funds	Timeline / Contract Period	Status	Obligations and Expenditures	Number Assisted	Board Action and Applicant Next Steps
Weatherization (WAP) $326,975,732 Dept. of Energy $5,000,000,000	Provides for minor home repair to increase energy efficiency for households at or below 200% of poverty. Assistance is limited to $6,500 per household. Persons at or below 200% of poverty	Existing WAP network of nonprofit or local government providers; cities; counties; nonprofits	5% for State Administration 6.5% for Training and Technical Assistance Subrecipient Allocation of $289,373,523 to be apportioned between: • Existing WAP network (approx. $180 million) • Cities with populations exceeding 75,000 (approx. $100 million; cities with allocations less than $1 million will have their funds administered by the local weatherization provider) • Small cities, nonprofits and units of local government ($7,500,000).	Recipients will be required to expend all funds within a two year contract period.	The WAP Plan, as approved by the Board, was submitted to DOE on May 1. DOE approval is expected in July. Applications were due to TDHCA on June 23 for existing network recipients and June 26 for non-network applicants. The Training Academy Request for Proposals is expected to be released by mid-July.	Department must have obligated funds by September 30, 2010	Not Yet Available	July 30 – Board Approval of awards.
Homelessness Prevention and Rapid Re-Housing (HPRP) $41,472,772 HUD $1,500,000,000	Rental assistance; housing search assistance, credit repair, security or utility deposits, utilizing payments, moving cost assistance, and case management Persons at or below 50% of AMI	Local governments or nonprofits	5% for Administration (2 ½ for TDHCA and 2 ½ for recipients). 5% Set Aside for Statewide Pilot, and 5% for Data and Evaluation Balance of funds regionally allocated to 13 service regions based on poverty and unemployment data.	HUD requires 60% of funds expended in 2 years; 100% in 3 years. Recipients will be required to expend all funds within a two year contract period.	TDHCA received notice on July 6 of HUD's approval of the HPRP Substantial Amendment to the HUD Con Plan. The Grant Award Letter from HUD is forthcoming. 94 applications were submitted requesting a total of $65,868,099. Applications will be presented to the Board on July 30.	Contracts to be approved by Board July 30. Executed and obligated soon after.	Not Yet Available	July Approval of Awards. Plan on attendance at implementation workshops. August contract execution.
Community Services Block Grant (CSBG) $48,148,071 HHS $1,000,000,000	Assists existing CSBG network of Community Action Agencies with essential services. Persons at or below 200% of poverty	Existing Community Action Agency network	The existing CSBG formula will be utilized and 99% of funds will be allocated to the existing Community Action Network. The remaining 1% of funds will be used for coordination activities to facilitate client enrollment for various benefit programs. There will be no administrative funds and no discretionary funds. Up to 1% will be allowed for benefits enrollment activity.	Recipients will be required to expend all funds within a one year contract period.	The CSBG Plan was released for public comment and submitted to HHS by May 29. Contracts to be executed with current Community Action Network in July upon HHS Plan approval.	Department must have obligated funds by September 30, 2010.	Not Yet Available	No Board action needed. Will report on contract executions.

Disclaimer: Information in this report is subject to greater detail in specific Board action items. Rules, guidelines, regulations and Notices of Funding Availability take precedence over the information in this document.

Program Amount Fed Agency Tot Fed Avail.	Eligible Activities / Income Eligibility	Anticipated Contract Recipients	Allocation of Funds	Timeline / Contract Period	Status	Obligations and Expenditures	Number Assisted	Board Action and Applicant Next Steps
Homebuyer Tax Credit MCC: $ 2.5M Statewide: $5M Allows up to $8,000 per household	Home purchases through December 1, 2009 for first time homebuyers Up to $6,000 or $7,000 per household depending on program Household income qualifications for these programs vary depending on family size, program used, and geographic area. See our website.	Low/moderate income families via lender network	Approximately $2.5 million was designated for the Mortgage Advantage Program released in June. $5 million is available for the stand alone 90-DayDown Payment Assistance Program approved by the Board in May. Contracts are with participating lenders; the program is first come-first serve for households within that network of lenders. Loan repayments will be recycled for use to eligible households. Tax credit advance loan to MCC & MRB borrower's is interest free for the initial 120 days; thereafter, 5 years at 7% interest. For stand alone 90-Day DPA program, 90 days interest free; thereafter, 2 years at 10% interest.	Not applicable	The Board has created a program for down payment assistance in conjunction with the Department's MCC and MRB programs that provides a tax credit advance loan for up to $6,000 (Mortgage Advantage Program); the Board has also created a statewide stand alone down payment assistance program (90-Day Down Payment Assistance Program) that provides up to $7,000 per household. The programs were launched June 22.	Four loan commitments have been made to date for these program s totaling $26,891. XX.	Not Yet Available	No action needed. NA
Tax Credit Assistance Program (TCAP) $148,354,769 HUD $2,200,000,000	Provides gap assistance for 2007, 2008 or 2009 HTC awarded developments Household income up to 60% AMI	2007, 2008 and 2009 Housing Tax Credit awardees	Eligible for 2007, 2008 and 2009 Housing Tax Credits awards. Funds are to be allocated regionally as show in the TCAP Policy Supplement. Within regions applications will compete using a Selection Criteria also noted in the Supplement. The Board gives priority to tax credit developments that are ready to proceed and that maximize the use of their prior awards and tax credit resources. Funds will be made available as loans; loan terms vary based on the loan product selected.	Property owners must expend 75% of funds by Feb 17, 2011. Owners must expend 100% of funds by February 17, 2012. May correlate with placement in service.	On May 21 the Board approved a policy for the TCAP. A funding request was submitted to HUD on June 2. The Department must commit 75% of funds by February 17, 2010 On June 23, the Department released supplemental application materials and has announced the TCAP application workshop. Awards of TCAP for 2007 and 2008 tax credit awardees are anticipated in September; awards for 2009 tax credit awardees are anticipated in December.	75% of funds must be committed in one year	Not Yet Available	Workshops for TCAP and TCEX are July 7 and 9. Applications are due July 17 from 2007 and 2008 tax credit awardees and October 1, 2009 from 2009 tax credit awardees.
Housing Tax Credit Exchange Program $351,047,164* Treasury NA	Provides assistance to tax credit developments Household income up to 60% AMI	Housing Tax Credit awardees	Legislative action was taken to enable tax credit exchange opportunities to be extended to applicants other than 2009 applicants, should the Board so choose. No administrative funds permitted. Allocation methodology to be determined. Total amounts by formula calculation of 40% of 2009 9% HTC allocation, plus 100% of unused 2008 9% allocation and returned 2009 9% allocation multiplied by .85 and 10. Funds will be made available as grants.	To Be Determined. Unused funds to be returned by January 2011.	Federal guidance was provided on May 4. Guidance indicates that the assistance must be in the form of a grant to the development. The Board will consider a preliminary concept for the Tax Credit Exchange Program at the July 16 Board meeting.	Return unused funds by January 1, 2011	Not Yet Available	July Board action. Workshops for TCAP and TCEX are July 7 and 9.

Program Amount Fed Agency Tot Fed Avail.	Eligible Activities	Anticipated Contract Recipients	Allocation of Funds	Timeline / Contract Period	Status	Obligations and Expenditures	Number Assisted	Board Action and Applicant Next Steps
Neighborhood Stabilization Program (NSP1) HERA $102,000,000 HUD $2B	Allows communities to purchase and rehabilitate foreclosed residential properties Qualifying households up to 120% of AMI depending on NSP activity selected.	States, units of local government and nonprofits	Direct Allocation (up to 25 counties): $50,692,337 Select Pool (up to 76 counties): $31,104,826 Land Banking: up to $10,000,000 Administration: $10,196,685 (a portion for state and a portion for subs) Amounts may vary based on funds requested and capacity.	Contracts will require all funds be obligated within 6-8 months	Applications from Select Pool and Direct Pool applicants were due in April; the program is oversubscribed with applications requesting a total of $148 million. Applications under review. Awards are being made at this July 16 Board meeting.	Obligate in 1 year, expend 50% in 2 years; expend 100% in 3 years.	Not Yet Available	July Approval of awards. Implementation Workshops will occur in late July.
Neighborhood Stabilization Program (NSP2) ARRA Amount for Texas Not Known** HUD	Allows communities to purchase and rehabilitate foreclosed residential properties Qualifying households up to 120% of AMI depending on NSP activity selected.	States, units of local government and nonprofits	For NSP2, $1.93B is available nationally and is open to states, local governments and nonprofits (including consortia and nonprofit/for profit partnerships). The minimum request amount per submission is $5 million and requests must have a minimum impact on 100 foreclosed or abandoned homes. Capacity must be evidenced by applicants through evidence of unit completion within the same activity type as proposed. No amounts are specified in the NOFA per state or entity however HUD has released two needs score criteria; the neighborhood or community proposed to be served must have at least a needs score of 18 or greater on one of the two criteria (on a scale of 1 to 20). They are foreclosure related – the first is a calculation of the number and percent of foreclosures in the tract and the second is a combination of the estimated foreclosure rate with the vacancy rate. The 18 point tracts are geographically dispersed. A round table to get input on the structure of TDHCA's proposal to HUD was held on June 11.	Not yet determined.	HUD has released a NOFA for ARRA NSP which has two components: a second round of NSP funds called NSP2 and a round of NSP TA. Applications to HUD for NSP2 are due to HUD by July 17. Applications for NSP2 will be competitive on a national basis. Selections will be made by HUD in December. Public comment will be required. This June agenda has an item requesting approval from staff to apply to HUD for NSP2 funds. A round table to get input on the structure of TDHCA's proposal to HUD was held on June 11.	Not Yet Available	Not Yet Available	June – Board Approval of application to HUD Provide input at June round table on potential TDHCA application to HUD.

For questions regarding Recovery Act funds administered by TDHCA contact:
TDHCA Office of Recovery Act Accountability & Oversight
512-475-3800
brenda.hull@tdhca.state.tx.us
brooke.boston@tdhca.state.tx.us
http://www.tdhca.state.tx.us/recovery/

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, consideration, and possible action to adopt a policy regarding the Exchange of Tax Credits and the process for allocation of funds received under any Exchange.

Required Action

Approve, amend, or take no action on the proposed policy. In light of the complexity of this issue, the need for public input, and the fact that guidance from Treasury is evolving rapidly, staff recommends a discussion and public comment and that formal action be addressed at the July 15, 2009, meeting of the Governing Board

Summary

To begin the 2009 year tax credit allocation period, Texas posted for the round $87,759,608 in tax credits available for distribution to the 2009 applicants. This amount is less than the amount currently calculated to be available based on new population figures and additional returns. The current amounts by category are:

State Annual Ceiling	$51,086,645
HR 3221 Additional Credits (2008 HERA bill)	$ 4,865,395
Total regular allocation of	$55,952,040[a]
Bonus Ike Credits provided in 2009 for 2009	$14,906,160[b]
Traded Ike Credits and 2008 Ceiling Carry forward	$16,639,664[c]
Prior year Returned Credits (pre-exchange program)	$ 4,785,148[c]
Total Returned and Ike Credits	$36,330,972

These funds are committed to applications received prior to February 27, 2009, and are part of the standard 2009 allocation round. These have been regionally allocated and function just like any other tax credit round except for the Bonus Ike Credits in 2009 which must be used in the Hurricane Ike regions.

Of these funds 40% of the $55,952,040 or $22,380,816 worth of credits are available from the 2009 regular allocation for credits to participate in the Tax Credit Exchange Program authorized under the American Recovery and Reinvestment Act of 2009, PL 111-5 ("ARRA"). In addition, the traded Ike credits and 2008 ceiling carry forward and the prior year exchanged credits are available for or $21,424,812 are available for the

[a] 40% of these credits can be exchanged
[b] Currently none of these credits can be exchanged
[c] 100% of these credits can be exchanged

exchange program. When multiplied by the exchange rate, this brings the total funds, if the Board desires to maximize the exchange program for 2009, to $372,347,839.

In addition, with the passage of HB 4275, the Board will have the option to exchange returned 2007 and 2008 credits and offer these funds in a second round. The amount of these funds is not yet known as the awardees have not returned their funds for participation in the exchange program. Unlike 2009 credits, for which only 40% can be exchanged, 100% of these credits may be exchanged. All credits exchanged are exchanged at a rate of $.85 on the dollar times ten (since credits are used over a ten year period), or $8.50 in cash to be allocated in exchange for each dollar of credits returned.

Policy issues to be addressed as policy in formulating policy for the Exchange Program include:

1. Does the state want to participate and, if so, at what level?
2. Certain 2008 and 2009 developments were awarded Hurricane Ike credits. Those credits may be returned and re-allocated, but they may not be exchanged under the ARRA exchange program
3. Should the state treat the rounds separately or after awards make all awardees wishing to compete apply to the same "exchange pool" Within two pools or a single combined pool, how will competition be structured and which developments and factors will be assigned priority?
4. Are we going to open the exchange pool up to people who have not received (and therefore will not return) tax credits?
5. Should we consider directing applicants to the TCAP policy over the exchange for mixed deals where a syndicator is present?
6. What aspects of this require re-application and/or re-underwriting?
7. How will fees be structured to ensure that the Department's cash flows and operations remain stable?
8. What sorts of legal structures will best protect the Department since it will be assuming a new, and still evolving, responsibility for asset management and potential liability for recapture.
9. Timelines and oversight during development: How will the Department be able to ensure that the rapid timeframes mandated by ARRA are achieved?
10. Asset management questions, what happens to developments that do not meet the timeline or compliance standards?

1. At what level does the state want to participate?

The state has the ability to exchange credits and receive cash, up to the maximums identified above currently as $372,347,839, plus any additional returns from the 2007 and 2008 rounds multiplied by 10 and then multiplied by .85.

A major factor in deciding whether to exchange all or a portion of the exchangeable credits is assessing whether the awarded developments returning credits and therefore receiving exchange proceeds can be expected to complete the expenditure of those funds

by year-end 2010. Funds not expended by the deadline must be returned to Treasury, meaning that incomplete developments will need to be finished using some other source(s) of funds.
Another major factor to take into consideration is deciding the state's level of participation is the new and as yet largely unknown possibilities and potential liabilities that the Department would be assuming:

- In a typical syndicated tax credit transaction the syndicator takes primary responsibility for asset management, assuring the IRS that the buildings are in compliance with the program requirements of 26 USC §42 and the 8823 Audit Guide. Under the exchange program the Department takes on this asset management responsibility.
- The department monitors syndicated tax credit developments and if it identifies uncorrected compliance issues, it files form 8823 with the IRS, alerting the Service to the need to pursue possible recapture. Under the exchange program, any recapture would become a Department responsibility (and, therefore, a potential liability).

A third major factor is the state of the tax credit market. The disruption in the financial markets, especially at Fannie and Freddie, has resulted in their being a greatly reduced market for tax credits. This is compounded by broader economic issues driving investors to gravitate to the lowest risk investments and to project limited need for tax credits in the near term. As attractive as these developments may be, enhanced yield alone is likely not enough to create or restore a robust market for tax credit investments; so exchange funds are an increasingly "key" tool to keep the affordable rental housing market active.

2. What to do with 2008 and 2009 Hurricane Ike awarded developments that are not eligible for the credit to dollars exchange program?

Congress made additional credits available for areas impacted by Hurricane Ike. These credits were provided annually on a "use them or lose them" basis. IRS guidance has since changed and the credits from 2008 may be able to be carried forward. This places the 2008 Ike credits in an unfavorable position for exchange as a result of the decision to trade "regular ceiling" credits for Ike credits. Because we carried these forward, the Ike credits also could be re-allocated to normal credits and use the same "carry forward credits" that are accounted for in the 2009 Allocation pool. There is also a possibility that the developments that have applied for these credits could be first in line for less restrictive CDBG funds in the second round of Ike/Dolly CDBG disaster funding for affordable rental housing stock.

3. Should the state treat the rounds separately or after awards make all awardees wishing to compete apply to the same exchange pool and, if so how should the competition be structured and which developments will be favored?

This presents two different issues. As stated above, the credits may be exchanged by the State of Texas, not individual applicants. HB 4275 allowed us to add in an additional

round outside the normal tax credit process where 2007 and 2008 applications and even non-awarded applications could be considered even after the deadline.

One method could be to take the $372,347,839 available to the 2009 round and develop a policy for how to apply the exchange funds to the "2009 only" applicants that would provide for who received priority within the round for the exchange funds requested by the Department. Several alternatives could exist including the highest scoring applications, a regional allocation of funds based on the regional allocation formula ("RAF"), or largest amount of return for investment per unit built. Set asides for rural and at-risk could be established, or these could be factored into the regional allocation process.

A second method would be to award all the credits for the entire 2009 round (a total of $92,283,013) and then allow anyone who desired to compete for the exchange program to return credits and compete in an open competition with everyone who desired to apply. If all applications desired to compete, the exchange funds would not provide for sufficient coverage of all applications and credits would be carried forward into 2010 (except the Hurricane Ike 2009 credits) but not all applications that returned credits would receive exchange funds as there are $48,477,384 in credits for 2009 that are not eligible for exchange.

Additional points for rural or at risk could also be provided depending on if the funds are returned by region or a statewide pool to make these frequently lower scoring applications more competitive. We could also award additional points for applicants that demonstrate they have ready to develop plans, zoning, or other solutions to potential time delays that might jeopardize development completion within the allowable time frame.

Another possibility is to not require points but establish a policy for 2009 on who gets to exchange based on area and highest points and allow the 2007 and 2008 rounds to be open to a direct exchange without competition based on their level of return and the amount that they determined was needed for construction. An example would be if they returned $1.2 million in credits, multiplied by 10 and then multiplied by .85 would equal $10,200,000. If the application only called for 82 cents for each tax credit, they would get $9,840,000, the difference would remain in the exchange pool and potentially be used to fund other transactions.

4. Are we going to open the exchange pool up to people who have not received tax credits (and therefore have not contributed to the "exchange" pool)?

No additional preference would be required for those awarded if the applicant pool was limited to only those developments that have awards. There are applications that have been terminated for a variety of reasons that may be shovel ready and supported that could complete the development within the allotted time period where an awarded applicant may not be able to meet this time frame.

5. Should we consider directing applicants to the TCAP policy over the exchange for mixed deals where a syndicator is present?

Regardless of whether the Board selects one or two rounds of applications, there could be provisions that provide the Department the most units by changing the point values based on the presence of a syndicator and whether the development could be completed within the required placed in service deadlines. For example, 2007 deals that did not receive some form of extension for a natural disaster (or other extension), that still maintain credits are to be placed in service by December 2009. Obviously this cannot be done if the property has yet to begin. Therefore, more units may be produced by giving a preference to 2007 deals so that they can place in service by December of 2010. On the other hand, by requiring credits to be included in any substantial amount, you will be directing that the 2007 deals should not be part of the exchange program since they can not use the credits and place in service in a timely manner.

It might be to the Department's benefit to direct developments that have syndicators and could place in service in a timely manner, to the TCAP funds through a point structure.

6. What should be required by way of re-application and/or re-underwriting process?

A primary importance is the speed at which the developments need to be completed. To help front load this staff is recommending that regardless of the award process (one or two rounds, only awarded applications or any application) that on or before sixty (60) days from submission of an application an applicant would be required to have:

- Final construction plans;
- Final building permits; and
- Commenced required environmental work; and
- Met with all lenders and other financing sources to ensure that all funding sources will be acceptably coordinated and no further negotiations will be required in able for all funding sources, including Exchange, to move ahead in concert.

A completed application, together with an application fee of $20 per unit for new applications would be due between September 1 and September 7. All applicants would be required to comply with all aspects of the QAP in the year they applied and documented good faith effort to utilize tax credits. For applicants that have existing 2007 or 2008 award of tax credits or a still active 2009 application, the majority of items could, at their election, be addressed by their prior application. This would include:

- All required notifications.
- Quantifiable community participation.

For these active developments, a simplified application identifying changes to the financing sources would be required. Any other amendments to the application would not be allowed except as provided for in the QAP § 49.17 (a) and (d). Any known

changes that are not approved prior to the allocation of Exchange funds may be grounds for termination or denial of the Exchange funds.

A priority would be awarded to any applicant that had returned 2007 or 2008 credits or had a 2009 application that was "in the money" (apparent score sufficient to qualify for an award within their region) based upon the Board action with the final allocation list on July 30, 2009. Any significant changes to the application may reduce or eliminate this point advantage at the discretion of the Board.

Staff will score and underwrite, in accordance with the QAP and the Department's underwriting rules, the financing changes for each development which scores high enough to be funded based upon the amount of Exchange funds available. Applications for Exchange funds will be able to incorporate other sources of TDHCA funding but must be eligible for such funding. Should other TDHCA funding be necessary for financial feasibility but not be available, due to the lack of eligibility, the developments low score or rank in the other program's selection criteria, the development will not be recommended for Exchange funds.

7. How will fees be structured to ensure that the Department's cash flows and operations remain stable?

Since ARRA does not provide for charging specific fees for the awarding or administration of exchange funds but does provide for the charging of asset management fees, there might be two separate aspects to the fee structure: Application fees similar to the commitment fees for tax credits and asset management fees, especially if any third party asset management provider is procured. The commitment fee would ensure a stable source of funding for necessary activities the Department must carry out, and an asset management fee would ensure that the Department did not end up having to subsidize these transactions from limited general revenue. Any recommendations for asset management fees would be brought back to the Board at a later date in connection with any recommendations on use of a third party provider.

8. What sorts of legal structures will best protect the Department since it will be assuming a new, and still evolving, responsibility for asset management and potential liability for recapture?

The actual structure of the funds continues to be in flux in that the Treasury has released guidance saying that all funds must be in the form of a grant; however it is believed that this does not necessarily preclude some form of special limited partner role for the Department. Furthermore in recent conference calls, Treasury officials have suggested that a loan after the 15 year compliance period could exist.

HB 4275 provided the state with flexibility to own property for as long as recapture or repayment is an element of risk to the state by allowing ownership interests, restrictive covenants filed in the real property records, and/or liens filed on a property for which the

applicant has accepted funds. This allows the Department to negotiate ownership interests of development based on the amount of equity being placed in the deal for both TCAP and the Exchange Program. Preferences for profits, losses and property may be part of these negotiations if desired by the Board.

Federal direction is still moving around on this issue and we believe we should provide for maximum flexibility, but allow the state to participate in ownership if allowable at the federal level.

9. Timelines and oversight during development

The timelines would be different based on the type of rounds selected by the Board. The following identifies the key deadlines needed if a single round is selected:

- Award of all 2009 credits as statutorily required, July 31, 2009
- TCAP application deadlines
- Date certain for return of credits
- Process for Exchange funds – notice to return and application for exchange (August?)
- Scoring and underwriting is completed and awards are considered by the Board
- Commitment notices or similar award letters distributed
- Ownership interests negotiated and awards closed by December 31, 2009 including target dates for requests for funds and completion progress reports
- Supplemental rounds of Exchange awards would be considered, as needed, subject to availability of funds.
- After award or final agreement 60 day deadline for:
    1. submission of Final construction plans;
    2. Final building permits;
    3. Commenced required environmental work;
    4. Completion of all financing

Staff would monitor reports to ensure that development progress is being made to complete the development by 12/31/2010.

10 Asset management questions: What happens to developments that do not meet the timeline or compliance standards?

Each recipient of Exchange funds will be subject to asset management requirements to ensure that the development is, for the full required period, operated in compliance all applicable legal and contractual requirements, including, but not limited to:

- Operation in compliance with rent and income restrictions;

- Maintenance of the required number of accessible units and adherence to an affirmative marketing plan for accessible units;
- Affirmatively furthering fair housing in the marketing and rental of the development;
- Maintenance of all units in compliance with Uniform Physical Condition Standards;
- Compliance with other LURA requirements;
- Maintenance of all required records; and
- Timely filing of all required reports.

Adherence to these requirements will be subject to ongoing monitoring. The Department will establish reasonable fees to cover the costs of asset management and the developer will be required to pay these fees. Staff will also explore the ability to outsource these activities through the request for proposal of asset management services.

Other suggestions to assure could include the use of reserve funds as referenced above as part of the application for Exchange funds. In addition, at least 25% of the developer fee for all developments will initially be held in reserve until the property is stabilized and the short term reserve fund is fully funded. No reserve amounts may be funded with exchange funds. A recipient of Exchange funds will be required to establish and maintain reserves for:

- Lease-up and Short term operating needs (prior to lease up this fund will be required to support the operating budget of the development during lease-up, after lease-up this fund will require at least 6 month of operating expenses plus debt service to be fully funded);
- Long term capital maintenance (accumulated operating income to be $250 per unit per year for new construction and at least $300 per unit per year for rehabilitation developments unless recommended in underwriting); and
- Debt service (one year of debt service in addition to the short term operating reserve, if applicable).

The issue of possibly needing to create a source of funds for any potential recapture liability will be evaluated as the IRS makes clearer the nature and extent of possible recapture.

These funds will need active management which could be addressed through outsourcing with a trustee. Staff will continue to explore this possibility through the request for proposal of trustee services and as such a trustee fee may be required.

Any development that misses a target date for completion will need to submit a plan to demonstrate how they will be able to make up the missed performance, or begin to look to alternative funding to repay the grant. Any applicant that misses three consecutive deadlines will not be issued additional payments until such a time as the return to compliance with their targets dates to ensure completion by December 31, 2010.

Below to aid in discussion is a DRAFT that reflects staff's thoughts on the structure of the Exchange program.

Draft Exchange Program Policy

While guidance from Treasury and potential Congressional changes on a fair number of critical details of the program are still evolving, the Department's program will, if allowed, encompass the following key features:

- Eligible applicants for exchange will include only 2007, 2008 and 2009 tax credit awardees who return all credits (applicant who wish to return partial credits are encouraged to participate in the TCAP program). 2007 awardees who do not have a placed in service deadline extension will still have to place in service by December 2009 pursuant to section 42 and the QAP and may not be deemed feasible for Exchange if construction is not already underway and nearing completion.
- Eligible applicants must continue to follow the QAP under which they were originally awarded tax credits and must maintain their originally approved development plan, except for financing, unless an amendment is requested by the applicant and approved by the Department. An applicant will not be allowed to make an amendment request as part of an application for exchange.
- A normal tax credit commitment fee for all 2009 tax credit awardees will be required but no additional application or commitment fees for exchange will be required.
- With the intent to return and request to exchange notice, eligible Exchange participants will be required to provide updated financial information regarding the development, documentation of a good faith effort to place the credits, and certification that the exchange funds, if provided, could be fully spent by the Federal deadline.
- Within 60 days of an award of Exchange funds and prior to any release of said funds by the Department, the Exchange awardees will be required to provide any and all remaining conditions award including underwriting conditions that must be met prior to commencement of construction, proof of a final construction loan approval, construction set of architectural drawings, and final building permits. Construction must commence prior to December 1, 2009 and any extensions must be approved by the Board.
- Construction financing must be available for a minimum of 18 months with an option for at least a 12 month extension.
- If allowed by Treasury, Exchange funds may be used to initially acquire property, though such funds may later need to be replaced and exchange funds repositioned to fund only eligible basis costs. Subsequent draws may be made in coordination with the construction lender or on a fixed percentage of completion schedule as established by the Department.
- While forward permanent financing commitments will not be required to close on an award of exchange funds they are encouraged were possible, as is early pursuit of FHA permanent financing, where applicable.

- The amount of exchange funds awarded will generally be based upon Department underwriting up to the lesser of eligible basis or the gap of funds needed. The gap of funds will be determined based upon the sizing of permanent financing at a 1.25 debt coverage ratio with an 8% interest rate and 30 year amortization where permanent financing commitments are not provided or those provided terms that are less favorable to the development (higher interest rate or shorter amortization). The Department reserves the right to reduce the exchange funds recommended for all developments in order to accommodate requests of exchange funds from all applicants whose returned credits will be returned to Treasury to obtain Exchange funds.
- The development will be subject to all deadlines as required in §42 IRC and QAP including but not limited to 10% Test, placement in service and cost certification.
- The Department will conduct a normal cost certification review pursuant to the QAP, and a reconciliation of eligible basis or capitalized investment must document an amount equal or more than the exchange funds provided in the transaction, as may be further clarified as a result of additional Federal guidance. At cost certification, permanent funds must be committed and any excess sources of funds at that time may result in recapture of funds or funding of monitored reserves.
- Exchange participants will be subject to recapture provisions which will provide for the return to Treasury a prorata portion of funds for years within the compliance period (the first 15 years of operation after placed in service) that the property does not meet the minimum affordability requirements established by the Department in accordance with Treasury guidance. [This is an area that remains somewhat in flux but is likely to be percentage of restricted units can not be less than the percentage of exchange funds in the deal]
- Exchange participants may be required to enter into a partnership agreement with the Department or its designee as limited partner or special limited partner.
- Exchange participants will be required to pay the cost of asset management services and may be required to fund mandatory reserves out of operating income from the property with priority over any deferred developer fee or return to owner. In addition, the Department may require participation of up to 20% of any gross proceeds of any cash flow, refinance or sale proceeds.

Proposed timeline for the program would be as follows:

- June 25 Board approves draft policy and directs staff to begin implementation.
- July 20 Notice of intent to return and request exchange due for any 2008 Hurricane Ike area awardees.
- July 16 Board makes final adjustments to the policy and implementation plan.
- July 30 Board makes final 2009 allocation awards (with consideration of the requests for Ike return and exchange).
- August 3 -7 all other 2007, 2008 and 2009 awardees that are eligible for Exchange wishing to exchange must provide notice of intent to return and request exchange.

- August 10 October 2 Staff will conduct due diligence/underwriting review on all exchange requests.
- September 3 Staff may bring initial or discrete groups of exchange awards if available and analysis complete. Staff reports on exchange request to Treasury.
- October 15 Staff brings final Exchange award recommendations to the Board.
- October 16 Exchange award agreements sent to awardees,
- December 16 Exchange awardees meet 60 day deadline for final readiness to proceed.
- January 2010 Awardees provide confirmation of commencement of construction.
- January – December 2010 Status updates and funding draws.
- December 31, 2010 last day disbursements can be made for Exchange awardees, last date for placement in service for original 2008 awards and 2007 awards with placed in service date extensions.
- January 2011 return of any unused exchange funds to Treasury

Recommendation

Provide staff with direction to refine the Exchange Program policy to be brought back to the Board at the next meeting for further discussion and approval.

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion and Possible Approval of one or more amendments to the Tax Credit Assistance Program Plan, including possible extension of the application deadline.

Required Action

Approve amendments, based on staff's oral report at the meeting of any necessary changes.

Summary

The Department's Tax Credit Assistance Program Plan (the "Plan") was submitted to HUD for review and approval and at the time of posting we have not received comment back regarding whether HUD has accepted the Plan. Between the submission and the date of posting, HUD has requested that certain items be clarified, none of which required amendment of the Plan. This posting is to put people on notice that if amendments are required, the Board may take action on the necessary changes at this Board meeting. Any such proposals would be presented at the Board meeting and copies made available to the Board and public at that time.

As approved by the Governing Board, subject to HUD approval, the Plan calls for applications to be submitted by July 17, 2009. If Plan approval by HUD is not imminently forthcoming, it will be necessary to extend the application date to a date after Plan approval.

If HUD approval issues prior to the Board meeting no action will be required.

Recommendation

Staff recommends that the Board take appropriate action to facilitate compliance with HUD and an appropriate date for application based on the time the Plan is approved by HUD.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Requested Action

Presentation and Discussion of the Disaster Recovery Division's Status Report on CDBG and FEMA AHPP Contracts Administered by TDHCA

Background

This Board Action Request summarizes the activities of the Disaster Recovery Division which has oversight responsibility for Community Development Block Grant (CDBG) Disaster Recovery Programs for Round I and Round II funding administered by TDHCA, as well as the FEMA Alternative Housing Pilot Program (AHPP).

Public Law 109-148 – 1st Supplemental ($74.5 Million)

Under the **1st Supplemental CDBG Disaster Recovery Program (referred to as Round I),** there are three Councils of Governments (COGs) responsible for administering housing contracts to help restore and rebuild in areas of the State most directly impacted by Hurricane Rita. Of the $74.5 million, the total funding allocation administered by the COGs is $40,324,845 broken down as follows:

- Deep East Texas Council Of Governments (DETCOG) - $6,745,034
- Houston-Galveston Area Council (H-GAC) - $7,015,70
- South East Texas Regional Planning Commission (SETRPC) - $26,564,105
    - SETRPC - $16,964,225
    - Beaumont - $4,199,680
    - Port Arthur - $5,400,200

As detailed below, the Deep East Texas Council of Governments completed their contract activities in April. The Houston-Galveston Area Council and the South East Texas Regional Planning Commission are contractually required to complete activities by the fall; however each has committed to completing activities by the end of the summer. H-GAC is completing assistance to five beneficiaries located in the floodplain that will be receiving assistance in the form of a loan, and SETRPC is processing at least twenty-three (23) additional homes as a result of cost savings from the bidding process. Cumulatively, the COGs have completed assistance to four hundred eighty-two (482) households, have another twelve (12) homes under construction, and have eighteen (18) more homes under contract pending the onset of construction activities. Cumulatively, there are five hundred twenty (510) homes either under bid award, under construction, or completed as of July 9, 2009 which represents one hundred twenty percent (120%) of the contracted number of households to be served. Program efficiencies have allowed for a greater number to be served than was originally anticipated.

The COGs have committed $709,664 of HTF dollars to assist with gap financing needs, and $553,410 of that has been drawn. More of these HTF dollars are anticipated to be obligated to address the gap financing needs of the

additional homeowners being served under this program. The Department is in the process of deobligating uncommitted funds to address gap funding needs in the HOME program.

Financial Summary

	Current Budget	Admin $ Drawn To Date	Project $ Drawn To Date	Total Drawn	% of Funds Disbursed
DETCOG	**$6,745,034.00**	**$674,304.31**	**$5,888,799.21**	**$6,563,103.52**	**97.30%**
H-GAC	**$7,015,706.00**	**$881,012.42**	**$4,612,285.75**	**$5,493,298.17**	**78.30%**
SETRPC	**$26,564,105.00**	**$2,428,805.70**	**$17,390,058.50**	**$19,818,864.20**	**74.61%**
SETRPC	$16,964,225.00	$2,049,228.28	$10,885,277.19	$12,934,505.47	76.25%
Beaumont	$4,199,680.00	$327,806.71	$3,225,041.72	$3,552,848.43	84.60%
Port Arthur	$5,400,200.00	$51,770.71	$3,279,739.59	$3,331,510.30	61.69%
Totals	**$40,324,845.00**	**$3,984,122.43**	**$27,891,143.46**	**$31,875,265.89**	**79.05%**

Project Summary

	* No. to be Served per Contract	No. out for Bid	** Units Under Contract	No. Site-built Under Construction	Total Rehabilitated /Reconstructed	No. of MHUs Delivered	Total No. Constructed/ Delivered
DETCOG	**96**	**0**	**0**	**0**	**13**	**115**	**128**
H-GAC	**103**	**0**	**5**	**2**	**23**	**73**	**96**
SETRPC	**228**	**0**	**13**	**10**	**205**	**53**	**258**
SETRPC	127	0	8	6	105	53	158
Beaumont	55	0	3	2	50	0	50
Port Arthur	46	0	2	2	50	0	50
Total	**427**	**0**	**18**	**12**	**241**	**241**	**482**

** Based on the contractual number of households that the COGs are required to be served with the funding allocation*
*** Total of MHUs ordered but not yet delivered and construction contracts signed for site-built units*

Public Law 109-234 – Round II ($428 Million)

The **2nd Supplemental CDBG Disaster Recovery Funding (referred to Round II)** is the second of two awards in CDBG funding to help restore and rebuild in areas of the State most directly impacted by hurricane Rita, but it also addresses needs arising from hurricane Katrina evacuees. The total funding allocation is $428,671,849, broken down as follows:

2nd Supplemental CDBG Disaster Recovery Activity	Available Funding	Amount Contracted per Activity	Cumulative Expenditures	% of Expenditures Disbursed	Balance Remaining
Rental Housing Stock Restoration Program ("Rental")	$82,866,984	$82,779,333	$38,120,994.16	**46.05%**	$44,658,338.84
ORCA's Restoration of Critical Infrastructure Program (Infrastructure)	$42,000,000	$42,000,000	$14,178,461.34	**33.76%**	$27,821,538.66
City of Houston and Harris County Public Service and CDP ("Houston/Harris")	$60,000,000	$60,000,000	$32,044,926.50	**53.41%**	$27,955,073.50
Homeowner Assistance Program ("HAP")	$210,371,273	$210,371,273	$29,158,705.28	**13.86%**	$181,212,567.72
Sabine Pass Restoration Program ("SPRP")	$12,000,000	$12,000,000	$3,732,716.92	**31.11%**	$8,267,283.08
State Administration Funds (Used to Administer Funding)	$21,433,592	$21,433,592	$7,281,662.42	**33.97%**	$14,151,929.58
Total CDBG Round 2 Funding	**$428,671,849**	**$426,952,198**	**$124,517,466.62**	**29.05%**	**$304,066,731.38**

CDBG Round 2 City of Houston and Harris County Public Service and Community Development Program

City of Houston

Funding of $20 million was allocated to the Houston Police Department for establishment of the Housing Safety Component, composed of civilian and officer personnel. Civilian personnel consist of administrative staff that supports the officer personnel and the entry of the overtime incurred by officers on behalf of the hurricane evacuee population. Funding of $20 million was also allocated to carry out rehabilitation of existing multi-family housing stock through the existing Apartment to Standards Program. These funds will provide rehabilitation of multi-family housing to the evacuee population.

The City of Houston's Housing Safety Component expenditures remain at $19,990,641.34 or 99.95% of the $20,000,000 allocation. Executive approved the re-allocation of $1,500,000 of administrative funds to the Housing Safety Program to extend overtime services provided by the Houston Police Department.

The administrative fund budget category is now $500,000, of which $49,944.56 or 2.50% has been expended.

The Housing Safety and Apartment to Standards program expenditures remained at $8,932,654.68 or 44.66% of the $20,000,000 allocation. The Apartment to Standards program has executed contracts for two rehabilitation projects. The Fondren Court project has been completed and the contractor is reviewing the punch list for completion. Expenditures of $8,932,654.68 represent 90.68% of the $9,850,000 allocated to the Fondren Court project. The Regency/Sandpiper project was allocated $10,150,000, with rehabilitation commencing in May 2009. There have been no expenditures submitted for reimbursement.

Harris County

Funding of $20 million was allocated to provide services to the residents of Harris County among six different program components: Expanded Services to Hurricane Evacuees (Harris County Sheriff's Dept.), Evacuee Medical Services (Harris County Hospital District), Katrina Crisis Counseling Program (Mental Health and Mental Retardation Authority), Youth Offenders Services (Harris County Sheriff's Dept.), Disaster Housing Assistance Program Component (Harris County) and the Multi-Family Evacuee Housing Program.

Harris County has expended 17.43% of its $21,000,000. Expenditures incurred among the different program categories equal $3,121,630.48 or 15.61% of the $20,000,000 allocation and incurred expenditures for the administrative category are $463,395.38 or 46.34% of the $1,000,000 allocation.

The multifamily component, which was added as a result of Amendment #7 to the State Action Plan, consists of a new construction project and a rehabilitation project. The Department continues to work closely with Harris County to expedite environmental clearance for these two sites.

CDBG Round 2 Multifamily Rental Housing Stock Restoration Program

On September 13, 2007, the TDHCA Board awarded $81.1 million to repair or rebuild seven Golden Triangle-area affordable multifamily rental properties damaged or destroyed by Hurricane Rita. The construction work, once completed, will restore rental unit housing to 838 low-income individuals and families. Award-specific status is outlined in the table below:

Loan Number	Development Name	City	Total Units	Type of Activity	CDBG Loan Amount	Funds Drawn/ Expended	Loan Closing Date
7060007	Orange Navy Homes	Orange	140	Recon.	$15,821,439	$7,790,694.07	10/15/2008
7060010	Brittany Place II Single Family	Port Arthur	100	Recon.	$13,077,366	$1,473,016.60	12/04/08

7060006	Pointe North	Beaumont	158	Recon.	$13,778,332	$4,285,772.63	8/31/2008
7060011	Gulfbreeze Plaza I	Port Arthur	86	Recon.	$9,067,577	$1,254,653.38	12/17/2008
7060012	Gulfbreeze Plaza II	Port Arthur	148	Recon.	$13,280,250	$10,652,287.60	6/11/2008
7060008	Virginia Estates	Beaumont	110	Rehab	$6,707,534	$4,280,568.41	5/26/2008
7060009	Brittany Place I Multifamily	Port Arthur	96	Recon.	$11,046,835	$8,384,001.47	4/9/2008
		Totals:	**838**		**$82,779,333**	**$38,120,994.16**	

CDBG Round 2 Homeowner Assistance Program and Sabine Pass Restoration Program Update from ACS State & Local Solutions, Inc.

Key metrics as of July 1st are shown in the chart below. Changes in the totals of key metrics in the 15 calendar days from 6/15 to 6/30 are as follows:

- Completed applications increased by 108, from 2,862 to 2,970
- An additional 80 applicants have been declared eligible
- Completed inspections now total 1,1812, an increase of 43 over the 15-day period
- A total of 1,038 homes have been assigned to contractors, an increase of 142
- The total number of Benefit Selection meetings held also increased by 142
- Closings have increased by 104 to a total of 673
- Constructions starts have gone from 428 to 536, an increase of 108

AS OF 6/30/09	**HAP**	**SPRP**	**Total**
Completed Applications	2,866	104	2,970
Eligibility Determined	1,854	106	1,960
Inspections Complete	1,701	111	1,812
Projects Assigned to Contractors	1,118	68	1,118
Benefit Selection Meetings Held	1,062	68	1,130
Closings	614	59	673
Construction Starts	490	46	536

The July 4th goal of 500 construction starts was reached 9 days early on June 25th when Randy Malouf Builders began construction of a 4 bedroom, stick-built home for an applicant in Port Arthur. Two additional homes were started on the 25th bringing the day-end total to 503. During the 15-day period from 6/15 to 6/30, a little over 7 starts per day were recorded on average.

The other July 4th goal was to have 100 homes completed. That milestone was reached on June 30th when the final inspection was accepted on an MHU in Newton. The number of completed homes as of 6/30 is 106. The number of homes completed per month has more than doubled from month-to-month since April.

Augmentations to ACS' staff to assist with increasing production continues with the addition of two more construction specialists. These new hires are in addition to the three construction supervisors added earlier in June.
Work on evaluating responses submitted as a result of the program's second invitation to bid is complete. Two contractors, America's Home Place and Compass Point Homes have been selected from the eight bids received. These are high-volume contractors and will significantly increase the program's capacity. In addition, J.W. Turner, a contractor approved during the first invitation to bid, but electing not to participate in the program at that time, is now available as Rita Round 1 production that he has been involved in is winding down. We are in the process of revalidating Turner's pricing and, assuming that exercise is successful, expect them to be online by mid-July.
As mentioned during the last meeting, we are attempting to obtain relief from minimum home size ordinances in several municipalities. A package of floor plans, site elevations and other data has been prepared and delivered to Lumberton for consideration by the Zoning Board. Packages for the other municipalities are also being prepared and presented to the appropriate departments in each city. There are currently 38 applicants who are unable to move forward because of these municipal home size restrictions.
We continue to receive additional requests for applications and the rate at which we are mailing new applications has increased to almost 60 per week. The total number of additional applications mailed as of 6/30/09 is 2,052. Results of these mailings are indicated below:

AS OF 6/16/09	**Results**
*Applications Returned	947
Withdrawn	291
Pending Withdrawal	155
Pending Eligibility	388
Other (In Process)	271

*Distribution of returned applications by county: Jefferson – 526; Newton – 111; Jasper – 91; Orange – 66; Hardin – 42; Chambers – 28; Liberty – 19; Tyler – 19; Polk – 13; 10 other counties - 32

This group is responding in higher numbers and more quickly that the initial wave of applications mailed previously. These "Pool B" applicants are also progressing through the system more successfully and at an accelerated pace.
The fifth issue of *The Building Block*, the program contractor newsletter was published this week. This issue features an excerpt from a 6-page, handwritten letter received from Marilyn Silas White in Jasper. Ms. White wrote to express her satisfaction with her new home and how much she appreciates the assistance she received throughout the process. The article is reproduced below.

Letter from an Applicant: A Program Success Story

On June 25, the Jasper Intake Center received a letter from Marilyn Silas White, an applicant who had recently moved into her new home. The letter describes Ms. White's experience with the Program, from intake through completion of her home, and her words remind us all that our work in the Program has a real, positive effect for individuals in need of assistance. What follows is an excerpt from Ms. White's letter:

> "I've never been one to ask for help. The aftermath of the hurricane changed that. I needed help, but I tried to fix as much as I could, thinking I wouldn't likely get any help… We evacuated to Austin, TX during Hurricane Rita and when we returned, all the skirting was blown off, shutters were blown off the windows and a *few shingles were blown off the roof… I tried patching up* things. I had a list. I spent my own money, borrowed money and used credit cards trying to pay for everything… While talking to Jennifer Molinari [of TDHCA], she told me about the second stage program. I got the application, filled it out and got it notarized and returned it ASAP. The people with the program stayed in touch often. They called <u>me</u>. I didn't have to call them. And I <u>know</u> they wanted to help me. Heather [Rivera of Shaw Group] took me through the application process. She is Heaven-sent. She does her job so smoothly. And I felt like she was my caretaker. She took care of everything! And I no longer felt hopeless. I felt positive. I felt like the people were really looking <u>after</u> <u>me</u>… My new home is gorgeous. I love the style, I love the way it looks outside and inside. The color, the shutters, the cabinet, the floors. This is the life, the American dream, not just to own a home, but to own a decent, clean home."

The attainment of the July 4th milestones of 500 homes starts and 100 completions ahead of schedule is indicative of the program's accelerated pace of progress. All the team members are energized and have re-doubled their efforts to build on this momentum going forward.

<u>FEMA Alternative Housing Pilot Program</u>

The Disaster Recovery Division is also responsible for administration of the Federal Emergency Management Agency (FEMA) award of $16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes.

On January 7, 2008, the Federal Emergency Management Agency (FEMA) announced that TDHCA was awarded $16,471,725 for the Alternative Housing Pilot Program (AHPP). The purpose of the AHPP is to demonstrate an alternative housing solution to the FEMA trailer in the areas affected by the 2005 Hurricanes for a time period of twenty-four months. A one-time exemption to the Stafford Act, AHPP permits the use of FEMA funding to study alternatives to the FEMA trailer by examining cost-effective solutions that meet a variety of housing needs. Pursuant to FEMA requirements, the pre-fabricated units must be awarded within the 22 counties affected by the 2005 Hurricanes.

The Heston Group was selected to pilot a pre-fabricated, panelized solution which can be deployed quickly and built to accommodate a diverse population.

The Department has been working diligently with the Heston Group to identify and manage activities to be performed in preparation of the construction of 17 homes in East Texas and up to 60 homes in the City of Houston.

There are currently 14 eligible and interested families in East Texas with 22 sites having been submitted to FEMA for Environmental Clearance. FEMA has given Environmental Clearance for 15 sites to date. Two homes are now completed and occupied.

TDHCA staff is also working closely with the City of Houston on the planning for a 40-50 unit group site that will address the renter population that relocated from East Texas due to Hurricane Rita.

On May 12, 2009, TDHCA issued a notice of default to the Heston Group for failure to perform under the agreement. Heston's initial response was not sufficient to clear the deficiencies; therefore, a subsequent letter was sent June 25, 2009 requesting additional information. The Department is currently working with Heston to cure the identified deficiencies.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Report and Discussion on the Hurricane Ike and Dolly Action Plan

Requested Action

Review report and discussion on the Hurricane Ike and Dolly activities

Background

The US Department of Housing and Urban Development ("HUD") has announced that the State of Texas will receive a total of $3,057,991,440 in CDBG disaster assistance related to damages caused by Hurricanes Ike and Dolly in 2008. HUD announced that Texas would receive the first appropriation of $1.3 billion on November 26, 2008 and on June 20, 2009, announced that Texas would receive an additional $1,743,001,247.

On March 31, 2009, the Office of Rural and Community Affairs ("ORCA") executed a grant agreement with the US Department of Housing and Urban Development ("HUD"), accepting for the State of Texas $1,394,990,193 in CDBG emergency funds. This represents the first portion of funds appropriated for Hurricanes Ike and Dolly, and of this amount, $621,449,116 will be administered by the Texas Department of Housing and Community Affairs ("TDHCA") for housing programs. ORCA and TDHCA have executed a memorandum of understanding which has enabled TDHCA to access funds, including funds for administration of the grant. A staffing plan for additional staff required to oversee this program has been developed.

The councils of governments ("COGs") for the impacted counties were assigned the responsibility of determining how funds would be allocated through a Method of Distribution ("MOD") process. The primary intent of the MOD process is to identify the recipients of the CDBG funds, determine the allocation amounts to each based on objective and verifiable data, and to determine the allocation between housing (TDHCA-administered) and non-housing (ORCA-administered) activities. ORCA is responsible for the receipt of these MODs and coordination of the review and approval process. Although methods of distribution were due on February 20, 2009, the deadline was extended to June 29th for all regions. Six of the eleven effected COG regions have Subrecipients that received housing allocations, and there will be nineteen (19) Subrecipients. The applications require Subrecipients to demonstrate capacity.

The subrecipients identified through the MOD process and their allocation amounts are as follows:

Anticipated Housing Subrecipients, Allocations, and date of MOD Approval as of July 17, 2009		
Subrecipient	**Amount of Housing Allocation**	**MOD Approval**
BVCOG	**$0.00**	**4/30/2009**
Brazos Valley Affordable Housing Corporation	**$948,929.00**	**4/30/2009**
DETCOG	**$5,931,070.00**	**5/1/2009**

Subrecipient	Amount of Housing Allocation	MOD Approval
ETCOG	**$415,117.00**	**5/11/2009**
H-GAC	**$11,077,719.00**	**7/6/2009 (final)**
Galveston	**$160,432,233.00**	**3/5/2009**
Galveston County	**$99,503,498.00**	**6/1/2009**
Harris County	**$56,277,229.00**	**6/18/2009**
Houston	**$87,256,565.00**	**3/5/2009**
Chambers County	**$20,921,582.00**	**4/30/2009**
Liberty County	**$8,878,923.00**	**6/15/2009**
Fort Bend County	**$1,582,107.00**	**6/15/2009**
Montgomery County	**$6,909,237.00**	**6/15/2009**
LRGVDC	**$0.00**	**6/1/2009 (final)**
Brownsville	$1,635,318.00	5/4/2009
Cameron County	$3,093,750.00	5/15/2009
Mission	$209,638.00	5/4/2009
Hidalgo County	$2,000,000.00	5/15/2009
Raymondville	$128,787.00	5/4/2009
Willacy County	$412,500.00	6/1/2009
SETRPC	**$95,000,000.00**	**4/8/2009**
TOTAL	**$562,614,202.00**	

The City of Houston applied for funding in the amount of $87 million and received a conditional award at the May 21, 2009 Governing Board meeting. Six additional conditional award recommendations are under a separate Action Item.

Disaster Recovery Division staff worked with all applicants and conducted one-on-one onsite technical assistance visits to work through individual information needs related to their particular program design. To date, TDHCA has received applications from all 19 Subrecipients. It is anticipated that all Subrecipients with demonstrated capacity will be recommended for conditional awards at the July 16, 2009 and July 30, 2009 Governing Board meetings. Staff will work with applicants that did not demonstrate capacity in an effort to recommend conditional approval of any remaining applicants at the September 3, 2009 Governing Board meeting.

A second major element of the housing component is the establishment of a $58 million set-aside for affordable rental housing. This set-aside, established from 15% of the total grant amount that was available for planning purposes, will be distributed under a competitive notice of funds availability ("NOFA"). Based on input received in public roundtables, the NOFA provides for a greatly simplified application process, targeting smaller multifamily developments (36 units or less), to be awarded on a first come first served basis within the regions.

Several requests for waivers of regulations generally applicable to CDBG disaster recovery funds have been submitted by ORCA to HUD. Included is a request to allow compensation or incentive programs. Although the Action Plan for this program provides for compensation or incentive programs, the approval of this waiver from HUD will be a requirement to any such award for this housing activity.

Nothing to Report at this Time

DISASTER RECOVERY DIVISION
BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval of CDBG Disaster Recovery Program Award Recommendations

Hurricane Ike Housing Assistance Programs

09-0002	East Texas Council of Governments
09-0003	Harris County
09-0004	South East Texas Regional Planning
09-0005	Montgomery County
09-0008	City of Galveston
09-0014	Galveston County

Requested Action

Approve, Deny, or Approve with Amendments CDBG DR Program Conditional Award Recommendations

Background

The Texas Department of Housing and Community Affairs ("TDHCA") is responsible for administering a total of $625,709,456 for housing programs, including funding set-aside through a Rental Notice of Funding Availability ("NOFA") totaling $58,834,914.00. This represents the first portion of funds appropriated for Hurricanes Ike and Dolly.

TDHCA must ensure that housing applicants have the ability to manage complex Community Development Block Grant (CDBG) Disaster Recovery programs efficiently as a Subrecipient of the State. As a result, TDHCA requires applicants to demonstrate capacity through their application submission and encourages "consortiums" to limit the number of Subrecipients and gain economies of scale from larger awards. TDHCA developed an Application Checklist and Capacity Evaluation Form for CDBG Disaster Recovery Fund Housing Applications that meets these purposes through a scoring methodology that weights capacity areas and the size of an application more heavily than other items in the application. TDHCA set a capacity threshold score of 92 for the 2008 Supplemental CDBG Disaster Recovery Funding related to Hurricanes Dolly and Ike. All applicants are required to meet this minimum score before an award will be offered; applicants that do not meet threshold will have an opportunity to submit additional documentation that will be reviewed and may result in a score increase.

On March 16, 2009, TDHCA released the application for housing contracts with an application deadline of May 29, 2009 which was subsequently extended to June 30, 2009. As of June 30, 2009 all 19 Subrecipients have submitted applications. Staff is currently reviewing applications to assign capacity threshold scores. Of those reviewed to date, staff is recommending approval of the following six applications:

ETCOG

Owner-Occupied Activities	$	395,025	95%
Administrative and Project Delivery	$	20,092	5%
	$	415,117	100%

Harris County		
Owner-Occupied Activities	$ 34,104,936	61%
Single/Multifamily Rental Activities	$ 2,813,862	5%
Downpayment Assistance Activities	$ 150,000	0.3%
Acquisition/buyout Activities	$ 1,500,000	3%
Other Disaster Related Activities	$ 4,000,000	7%
Administrative and Project Delivery	$ 13,708,430	24%
	$ 56,277,228	100%
SETRPC		
Owner-Occupied Activities	$ 51,250,000	54%
Single/Multifamily Rental Activities	$ 25,300,000	27%
Demolition Only	$ 7,500,000	7.9%
Elevation Only	$ 1,450,000	2%
Administrative and Project Delivery	$ 9,500,000	10%
	$ 95,000,000	100%
Montgomery County		
Owner-Occupied Activities	$ 5,772,553	84%
Demolition Only	$ 100,000	1%
Administrative and Project Delivery	$ 1,036,684	15%
	$ 6,909,237	100%
City of Galveston		
Owner-Occupied Activities	$ 107,168,032	67%
Single/Multifamily Rental Activities	$ 32,045,365	20%
Downpayment Assistance Activities	$ 625,000	0.4%
Disaster Related Planning Activities	$ 1,341,968	1%
Administrative and Project Delivery	$ 19,251,868	12%
	$ 160,432,233	100%
Galveston County		
Owner-Occupied Activities	$ 64,702,150	65%
Single/Multifamily Rental Activities	$ 7,612,017	8%
Demolition Only	$ 845,778	1%
Elevation Only	$ 11,418,026	11%
Administrative and Project Delivery	$ 14,925,527	15%
	$ 99,503,498	100%

Staff have reviewed the applications and determined that the applications sufficiently demonstrate the applicants' capacity to administer the award based on the information provided. The award is subject to the following conditions being satisfied prior to the execution of a contract:

- HUD approval of an incentive waiver related to activities proposed by Harris County;
- resolution of all administrative deficiencies; and
- clearance of findings related to previous monitoring reviews.

Recommendation

Staff is recommending that the Board conditionally award funds to Harris County, ETCOG, Montgomery County, Galveston County, City of Galveston, and SETRPC as described above pending a complete previous participation review as required under 10 TAC Chapter 60 application review and due diligence. Staff also recommends that staff be authorized to negotiate requested amendments to these contracts to ensure expedited use of funds provided that the amendments are consistent with HUD requirements, the Action Plan, and any Department rules and that the Executive Director be authorized, when there is a time constraint that he reasonably believes to require immediate action to execute such amendments and report them to this Board at the next meeting following such execution, all other amendments to be brought to this Board for approval.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, discussion and possible approval to program remaining funds dedicated to Sabine Pass in the State of Texas Action Plan.

Requested Action

Approve, deny or approve with modification the recommendation.

Background

The Texas Department of Housing and Community Affairs received funding from HUD to provide disaster assistance to persons affected by Hurricane Rita. Under the Rita II funding, ACS administers a program to repair or replace housing damaged by the storm. There is a $12 million set aside for Sabine Pass. Currently, there are approximately $5 million in unreserved funds. Options to program the remaining funds include opening the application process to additional participants, a last call to those in need of assistance.

During initial meetings, residents expressed an interest in a reimbursement compensation program which would allow TDHCA to reimburse those that repaired homes at their own expense. Therefore, although we know that this would be an acceptable solution to the community, a waiver from HUD would be required. Residents also expressed an interest in hardening new and existing homes to prevent or minimize damage from a future storm event.

The Action Plan allows excess funds to be programmed into the Housing Assistance Fund which can be utilized in Hurricane Rita impacted areas outside of Sabine Pass. Staff recommends funds remain in the community unless excess funds remain after efforts to identify additional participants are exhausted.

Activities to program these funds could include:

- Provide additional storm protection to existing and new homes provided under this program such as installing permanent storm shutters on elevated homes and concrete pads to prevent erosion around elevated foundations during a storm surge
- Provide compensation to those homeowners who already used private funds for recovery from Rita related storm damages, but who would be otherwise eligible for this assistance
- Other use of funds such as additional funding to elevate homes where quotes come in above the established cap of $30,000

Breakouts of associated costs for additional storm protection of permanent storm shutters and concrete pads would result in an additional $2 million in mitigation costs in the Sabine Pass program.

Recommendation

Staff recommends modification of current plan to program remaining funding to assist persons in Sabine Pass based on Board policy after a last call for participation.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval of a board policy on specific homes that exceed the cap established to address accessibility requirements outside of structure costs for development of homes in Hurricane Rita Round 2

Requested Action

Approve, deny or approve with modification the recommendation.

Background

On November 13, 2008, the TDHCA Board approved Amendment 6 to the Action Plan, which altered the reconstruction maximum benefit restrictions in the Action Plan under HAP and SPRP components of CDBG Round 2. The alteration included separating out construction costs for the new structure itself and related costs like demolition, closing costs and remediation for subsequent board approval after public comment. This action, approved by HUD, allowed the Board to direct staff to modify limits, as needed, without the lengthy Action Plan amendment process with HUD.

On December 18, 2008, as part of this request to increase limits within this program, the TDHCA Board approved up to $15,000 per home for costs to address accessibility assistance for homes where additional consideration is required for occupants.

While this increase addresses most of the accessibility requirements, there are some homes that require accessibility services that exceed the $15,000 cap established. Staff is seeking the Board to establish a policy when that cap is exceeded for supportive funds for accessibility in homes in Hurricane Rita Round 2. Potential options for the Board's consideration include:

1. Grant the TDHCA Executive Director the authority to evaluate and grant an increase on a case by case basis, based on executive team review
2. Raise the cap on this item to accommodate potential needs above $15,000
3. Bring each case requiring in excess of $15,000 to the Board on a case by case basis

At the May 21, 2009 Board meeting, staff requested Board direction in handling similar issues such as providing for increases in local code requirements or decisions regarding rehabilitation of historic properties that exceeded program caps for those activities. In those instances, the Board chose option 1 above.

Recommendation

Adopt a policy, consistent with past Board guidance, for staff to follow when considering services to address accessibility assistance for homes that exceed the established cap of $15,000.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval to increase the insurance cap for wind storm coverage and flood insurance under Rita II awards

Requested Action

Approve, deny or approve with modification the recommendation.

Background

On November 13, 2008, the TDHCA Board approved Amendment 6 to the Action Plan, which altered the reconstruction maximum benefit restrictions in the Action Plan under HAP and SPRP components of CDBG Round 2. The alteration included separating out construction costs for the new structure itself and related costs like demolition, closing costs and remediation for subsequent board approval after public comment. This action, approved by HUD, allowed the Board to direct staff to modify limits, as needed, without the lengthy Action Plan amendment process with HUD.

On December 18, 2008, as part of this request to increase limits within the program, the TDHCA Board approved up to $4,500 per home for costs to address hazard and wind insurance for homes, and $3,500 over three years for flood insurance where a home resides in a flood plain and that insurance is required to address program requirements.

While this increase addresses most of the homes where flood and hazard are required under the program, there are some homes that exceed the established costs to insure them for those amounts. Staff is seeking the Board to establish a policy when that cap is exceeded for insurance for homes in Hurricane Rita Round 2. Potential options for the Board's consideration include:

1. Grant the TDHCA Executive Director the authority to evaluate and grant an increase on a case by case basis, based on executive team review
2. Raise the cap on this item to accommodate potential needs above the stated caps
3. Bring each case requiring in excess of stated caps to the Board on a case by case basis

At the May 21, 2009 Board meeting, staff requested Board direction in handling similar issues such as providing for increases in local code requirements or decisions regarding rehabilitation of historic properties that exceeded program caps for those activities. In those instances, the Board chose option 1 above.

Recommendation

Adopt a policy, consistent with past Board guidance, for staff to follow when considering services to address insurance requirements for homes that exceed the established caps.

DISASTER RECOVERY DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Presentation, Discussion, and Possible Approval of Request for Amendments to CDBG Disaster Recovery housing contracts administered by TDHCA for CDBG Hurricane Rita Round 1 Funding

7060003 South East Texas Regional Planning Commission

Requested Action

Approve the request for an amendment related to South East Texas Regional Planning Commission's housing contract under the CDBG Disaster Recovery Program Round 1.

Background

The State of Texas Action Plan (Action Plan) approved by the U. S. Department of Housing and Urban Development related to the *CDBG Disaster Recovery Funds to Areas Most Impacted & Distressed by Hurricane Rita* specifically states that contract amendments that vary more than 5% must be approved by the TDHCA Board.

In a Board Action Item Request approved by TDHCA's Governing Board on July 28, 2006, staff reported that some funds available for administration were not requested with the intent that unutilized funds would be used to assist additional households if additional households were identified with Hurricane Rita recovery needs. Assistance needs have been met in the Deep East Texas Council of Governments (DETCOG) and the Houston-Galveston Area Council (H-GAC) regions; however South East Texas Regional Planning Commission (SETRPC) has identified twelve additional households with assistance needs. Currently, approximately six hundred thousand ($600,000) remains unobligated that could be used to assist these twelve households in conjunction with two hundred fifty thousand ($250,000) that could redirected from case management to reconstruction activities as further described below.

South East Texas Regional Planning Commission (SETRPC) Contract Number C 06 0003

Summary of Request
SETRPC is requesting Amendment #7 to transfer two hundred fifty thousand and no/100 ($250,000) currently budgeted for case management services to their reconstruction line item, and is also requesting a contract amendment to increase their overall contract award by six hundred thousand and no/100 ($600,000) to provide reconstruction assistance to an additional twelve (12) applicants with assistance needs of approximately eight hundred fifty thousand and no/100 ($850,000). SETRPC will be able to provide assistance to these households within SETRPC's current contract term of October 31, 2009, barring any unforeseen circumstances. If approved, SETRPC will assist a total of two hundred ninety-five (295) low to moderate income households affected by Hurricane Rita in the southeast Texas area.

Requested Action
Approve SETRPC's request to increase their contract award through the use of unobligated CDBG disaster recovery funds to allow for the completion of assistance to twelve (12) additional households.

Recommendation

Staff recommends Governing Board approval of the amendment as proposed.

TEXAS NEIGHBORHOOD STABILIZATION PROGRAM

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Texas Neighborhood Stabilization Program (Texas NSP) Appeals.

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal for the City of Nacogdoches, City of Galveston and any other appeals timely filed.

Background and Recommendations

On March 12, 2009 the Board approved the Texas NSP Notice of Funding Availability (NOFA). According to the NOFA, *Application Submission,* Section I4b: "All applications submitted for the Select Pool under this NOFA must be received on or before 5:00 p.m. on Monday April 27, 2009, regardless of method of delivery."

An electronic version of the application from the City of Nacogdoches was received on May 1, 2009 and a hard copy was received on May 4, 2009. As the application to the Texas NSP was received after the due date, the application has been determined to be terminated.

The Texas NSP as a whole was oversubscribed. The NOFA indicated the availability of $101,996,848 in funding. Requests were received for $154,325,056. The Select Pool (representing the second highest order of need), to which the City of Nacogdoches pertains, had $31,104,826 available and received $13,000,000 in base requests, and an additional $19,008,750 in supplemental requests.

Applicant:	City of Nacogdoches
County:	Nacogdoches
Select Pool Request:	$200,000
Land Bank:	$300,000
Administration:	$25,000
Total Request:	$525,000
Proposed Activities:	Removal of Blight and Land Bank
Proposed Units Demolished:	70
Proposed Units Acquired:	100

According to the Texas NSP Notice of Funding Availability (NOFA), *Review Process,* Section 13b, "Applications with Administrative Deficiencies not cured within ten business days will be terminated..."

The application from the City of Galveston was determined to be disqualified as a formal letter indicating the intent of the City of Galveston to apply and a revised *Certification,* Item 29, of the Texas NSP Application were not received by the June 9, 2009 deadline imposed by the Administrative Deficiency Notice dated May 26, 2009 or the extension for the required items to June 12, 2009 as imposed by a subsequent email dated June 9, 2009. These certifications were necessary to establish the eligibility of the application and were not included with the original application.

Applicant:	City of Galveston
County:	Galveston
Direct Allocation Request:	$953,104
Administration:	$50,000
Total Request:	$1,003,104
Proposed Activities:	Financing Mechanisms, Purchase and Rehabilitation, Demolition, Redevelopment

Staff Recommendation

The Executive Director denied the original appeals. Staff recommends that the Board deny the appeals as well.

Nacogdoches
the oldest town in Texas

May 12, 2009

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
P.O. Box 13941
Austin, TX 78711-3941

RE: Texas Neighborhood Stabilization Program
APPEAL of Application Disqualification Notice

Dear Mr. Gerber:

I received notice this date of the determination of disqualification for our Texas Neighborhood Stabilization Program application submitted on May 1, 2009. The application was disqualified due to it being received after the due date.

By this letter I respectfully request appeal of this decision. We were not aware of the NSP funding opportunity until April 28, 2009, the day after the deadline. Upon learning of the NSP Program we quickly put together an application for submission. The City of Nacogdoches has currently identified over 50 dilapidated houses in our community that are in need of demolition in order to preserve the neighborhoods and eliminate associated health and safety issues these structures pose. Because of budget restraints, the City of Nacogdoches is only able to budget a small amount each year to demolish these unsafe structures. The funding provided by the Texas Neighborhood Stabilization Program would allow us to demolish these structures and bring pride and revitalization to the neighborhoods that this blight affects. Our proposal also calls for Land Bank activities to give incentives for neighborhood redevelopment by aggregating vacant land to be redeveloped for housing for low-income persons.

Nacogdoches County is designated as Select Pool Eligible in this program, and your department has verified that no other entity in Nacogdoches County has applied for this funding. We understand that funding for the Select Pool was under subscribed for the NSP Program and respectfully request that the City of Nacogdoches be given the opportunity to compete for the funds before funding is given to the over subscribed Direct Allocation applicants, even though our application was received after the deadline.

Thank you for your consideration.

Sincerely,

Lila Fuller

Lila Fuller
City Secretary

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 pm Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	City of Nacogdoches
Development Address:	P.O. Box 635030, Nacogdoches, TX 75963
Signer's Name	Lila Fuller
Signer's Title:	City Secretary
Date:	May 12, 2009

Signed: Lila Fuller

City of Galveston

Grants and Housing Department
P.O. Box 779 / Galveston, Texas 77553-0779

RECEIVED
JUN 29 2009
DEPUTY ED.

June 26, 2009

HAND-DELIVERED

Mr. Michael G. Gerber,
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

Attention: **Mr. Robb Stevenson, Manager**
Texas Neighborhood Stabilization Program

Re: **Appeal of Administrative Disqualification Notice**
Application No. 20090010

Dear Mr. Gerber:

This request to appeal the referenced Administrative Disqualification Notice is extremely difficult since I have never been in this position before. However, Robb Stevenson's guidance and patience has been extremely helpful throughout this process.

On June 9th at 4:33 p.m., I forwarded an email to Mr. Stevenson advising that the City would be the lead applicant for the Neighborhood Stabilization Program and would work with the Galveston Housing Authority. At 5:44 p.m. on June 9th I received an email from Mr. Stevenson advising that the deadline for submission of a letter of intent and a revised Certification form was today (June 9th). The email further stated that "this email will be accepted as meeting the deadline for the City's intent to apply; however, a formal letter and a revised Certification form are still required for the application to continue to be eligible." Mr. Stevenson's email requested that the documents be submitted by Friday, June 12, 2009. **(Enclosure A)**

On June 10th I forwarded a letter (with a new Certification form) to TDHCA reaffirming the City's intent to apply for funds under the Neighborhood Stabilization Program. **(Enclosure B)** On Friday, June 26th I spoke with Mr. Stevenson and he advised that he

never received my confirmation letter and Certification form. Unfortunately, the letter was sent via regular mail and not through Federal Express or Certified Mail, so there was no receipt or any tracking mechanism to verify the submission. I take complete responsibility for not forwarding the letter in a manner that could be tracked or provide a receipt.

While our focus has been on recovery activities, especially the process of working with our community to develop critical housing and non-housing recovery programs for the $267M CDBG Supplemental Disaster Recovery Fund, we also have a number of other grant programs that we administer. The CDBG Supplemental Disaster Recovery Fund process has been extremely challenging and time consuming with numerous public meetings, neighborhood meetings, City Council meetings, and the development of strategies to assist our community recover. During this process, we also received several additional grants under the American Reinvestment and Recovery Act that we have had to manage. We submitted our CDBG Housing Recovery application for 2008 Supplemental Disaster Recovery Funds on Friday, June 26th in the amount of $160M.

However, during this time, we have never missed a reporting deadline or a submission deadline. Immediately after Hurricane Ike struck Galveston on September 13, 2008, we submitted several semi-annual reports to HUD for our CDBG Program by the reporting deadline of October 10th. In fact, we have never missed a reporting deadline, a grant submission deadline or a timeliness expenditure deadline since I have been the Director of the Grants and Housing Department since 1996. This fact can be verified by the HUD Regional Office in Fort Worth and the Houston HUD Office.

Please do not think that Galveston is an unresponsive grantee or that we are not interested or need the NSP 1 funds. As you may know, 59.8% of our population is considered low-moderate income by HUD standards, our per capita income is only $21,857, 23% of our residents live in poverty and 56.4% of our residents do not own their own homes. Combine these pre-Ike statistics with the devastation of a hurricane that damaged over 17,000 housing units, according to FEMA damage assessments 61% of the flood damages were uninsured and over 5,800 families displaced, our economically disadvantaged population needs as much help as they can get to rebuild their lives, their homes and to reinvest in Galveston.

You have witnessed Hurricane Ike's devastation in Galveston firsthand and you have seen the obstacles we face in our journey to recovery. It is my hope that you will look favorably upon our request and use your discretion as Executive Director to grant our appeal so we may use these critical funds to help our residents rebuild Galveston.

Your consideration will be greatly appreciated.

If you have any questions or require any additional information, please contact my office at (409) 707-3820. .

Sincerely,

Sterling W. Patrick
Director of Grants and Housing

/swp

Enclosures (2)

ENCLOSURE A

Sterling Patrick

From: Robert Stevenson [robb.stevenson@tdhca.state.tx.us]
Sent: Tuesday, June 09, 2009 5:44 PM
To: Sterling Patrick
Cc: Marni Holloway
Subject: RE: NSP I

That's good news. We'll be sending you an additional administrative deficiency letter shortly that focuses on the proposed scope of work.

The administrative deficiency notice dated May 26, 2009 requested a letter of intent to apply (a temporary placeholder for a formal resolution) and a revised Certification form (Item 29 of the Application) should the City elect to confirm their status as lead applicant. The deadline for submission of those items was today. If you are unable to submit these items electronically today, this email will be accepted as meeting the deadline for the City's intent to apply; however, a formal letter (it may be from you, it does not have to be the mayor if that will take additional time) and a revised Certification form are still required for the application to continue to be eligible. (Additional time will be allowed for the resolution from the City to authorize the application). These items are necessary for a valid application and to avoid issues concerning appeals from other applicants who are disqualified for failure to respond to deficiencies in a timely manner. Please submit these documents by Friday, June 12, 2009.

We're looking forward to working with the City of Galveston.

Sincerely,

Robb Stevenson

-----Original Message-----
From: Sterling Patrick [mailto:PatrickSte@cityofgalveston.org]
Sent: Tuesday, June 09, 2009 4:33 PM
To: robb.stevenson@tdhca.state.tx.us
Subject: NSP 1

I met with representatives of the Galveston Housing Authority last week and this afternoon to discuss the Neighborhood Stabilization Program and the application that was submitted on behalf of the City of Galveston. The City of Galveston will be the lead applicant for this application and will work with the Galveston Housing Authority to address deficiencies in the application when they are forwarded to us. Some activities may be slightly altered and the responsible organization may change on several activities, however, the basic nature of the programs will remain the same.

We look forward to working with the Texas Department of Housing and Community Affairs to provide housing services to our residents.

Thanks

Sterling W. Patrick
Director
Grants & Housing Department

P.O. Box 779
Galveston, Texas 77553
Phone: 409.797.3820
Fax: 409.797.3888

This email is privileged, if you have received it inadvertently please notify sender and delete.

ENCLOSURE B

City of Galveston

Grants and Housing Department

P.O. Box 779 / Galveston, Texas 77553-0779

June 10, 2009

Mr. Robb Stevenson, Manager
Texas Neighborhood Stabilization Program
Texas Department of Housing and Community Affairs
221East 11th
P.O. Box 13941
Austin, TX 78711

Re: Conformation of Intent to Apply for NSP-I Funds

Dear Mr. Stevenson:

Pursuant to your June 9th email requesting a formal letter, please accept this communication as the City of Galveston's formal notification to apply for funding under the Neighborhood Stabilization Program (NSP-I) from the Texas Department of Housing and Community Affairs. As directed, we have included a revised Certification form. Secondly, as mentioned in your email, we are awaiting notification of any additional deficiencies.

Thank you for your patience and cooperation with the City and the initial submission by the Galveston Housing Authority. We look forward to working with your office to provide affordable housing assistance to our residents.

If you have any questions, please contact my office at (409) 797-3820.

Sincerely,

Sterling W. Patrick
Director of Grants and Housing

/swp

Enclosure

CERTIFICATION

29. CERTIFICATION

I HEREBY APPLY TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR APPROVAL TO PARTICIPATE IN THE APPLICATION ACTIVITY AS THE APPLICANT. I CERTIFY THAT:

☑ THE "PREVIOUS PARTICIPATION" CONTAINS A LISTING OF EVERY DEVELOPMENT ACTIVITY THAT RECEIVED TDHCA FUNDING, IN WHICH THE LEAD APPLICANT HAS PARTICIPATED.

☑ NO PRINCIPAL OF THE APPLICANT TEAM IS CURRENTLY OR HAS BEEN BARRED, SUSPENDED, OR TERMINATED FROM PROCUREMENT IN A STATE OR FEDERAL PROGRAM OR LISTED IN THE LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT PROGRAMS.

☑ NO PRINCIPAL OF THE APPLICANT 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 YEARS PRECEDING THE APPLICATION DEADLINE.

☑ AT THE TIME OF APPLICATION, NO PRINCIPAL OF THE APPLICANT TEAM IS CURRENTLY OR HAS BEEN SUSPENDED, DEBARRED, OR SUBJECT TO AN ENFORCEMENT OR DISCIPLINARY ACTION UNDER STATE OR FEDERAL SECURITIES LAW OR BY THE NASD; SUBJECT TO A FEDERAL TAX LIEN; THE SUBJECT OF AN ENFORCEMENT PROCEEDING WITH ANY GOVERNMENTAL ENTITY; OR OTHERWISE RESTRICTED BY ANY DEPARTMENT OR AGENCY OF FEDERAL OR STATE GOVERNMENT FROM DOING BUSINESS WITH SUCH DEPARTMENT OR AGENCY.

☑ ANY PRIVATE ACTIVITY BOND FINANCING OF THE DEVELOPMENT DESCRIBED BY THE APPLICATION WILL NOT BE REPLACE IN LESS THAN 15 YEARS , UNLESS THE DEVELOPMENT WILL MAINTAIN FOR A PERIOD OF 30 YEARS OR MORE 100% OF THE DEVELOPMENT UNITS SUPPORTED BY HOUSING TAX CREDITS AS RENT-RESTRICTED AND EXCLUSIVELY FOR OCCUPANCY BY INDIVIDUALS AND FAMILIES EARNING NOT MORE THAN 60% OF THE AREA MEDIAN GROSS INCOME, ADJUSTED FOR FAMILY SIZE; AND AT LEAST ONE-THIRD OF ALL THE UNITS IN THE DEVELOPMENT ARE PUBLIC HOUSING UNITS OR SECTION 8 DEVELOPMENT-BASED UNITS.

☑ THE PRINCIPALS OF THE APPLICANT TEAM HAVE NO PREVIOUS FUNDING CONTRACTS OR COMMITMENTS THAT HAVE BEEN PARTIALLY OR FULLY DEOBLIGATED DUE TO A FAILURE TO MEET CONTRACTUAL OBLIGATIONS DURING THE 12 MONTHS PRIOR TO THE SUBMISSION OF THE APPLICATION; AN EXCEPTION MAY BE MADE AT THE DISCRETION OF THE DEPARTMENT IF THE DEOBLIGATION WAS VOLUNTARY, PART OF PROJECT CLOSE-OUT OR THE REMAINDER WAS COMPLETED ON A SUBSEQUENT CONTRACT.

☑ THE PRINCIPALS OF THE APPLICANT TEAM HAVE NOT BEEN, DURING THE FIVE-YEAR PERIOD PRECEDING THE DATE OF THE SUBMISSION OF THE APPLICATION, CONVICTED OF VIOLATING A FEDERAL LAW IN CONNECTION WITH A CONTRACT AWARDED BY THE FEDERAL GOVERNMENT FOR RELIEF, RECOVERY, OR RECONSTRUCTION EFFORTS AS A RESULT OF HURRICANE RITA, AS DEFINED BY SECTION 39.459, UTILITIES CODE, HURRICANE KATRINA, OR ANY OTHER DISASTER OCCURRING AFTER SEPTEMBER 24, 2005; OR BEEN ASSESSED A PENALTY IN A FEDERAL CIVIL OR ADMINISTRATIVE ENFORCEMENT ACTION IN CONNECTION WITH A CONTRACT AWARDED BY THE FEDERAL GOVERNMENT FOR RELIEF, RECOVERY, OR RECONSTRUCTION EFFORTS AS A RESULT OF HURRICANE RITA, AS DEFINED BY SECTION 39.459, UTILITIES CODE, HURRICANE KATRINA, OR ANY OTHER DISASTER OCCURRING AFTER SEPTEMBER 24, 2005.

☑ FOR THE PERIOD BEGINNING TEN YEARS PRIOR TO THE DATE OF THIS CERTIFICATION:
THE PRINCIPALS OF THE APPLICANT TEAM HAVE NOT BEEN ARRESTED, INDICTED, CONVICTED, OR IMPRISONED FOR A FELONY DURING THE LAST TEN YEARS, AND AM NOT PRESENTLY THE SUBJECT OF A COMPLAINT OR INDICTMENT CHARGING FOR A CRIME OF MORAL TURPITUDE.
THE PRINCIPALS OF THE APPLICANT TEAM HAVE NOT DEFAULTED ON AN OBLIGATION COVERED BY A SURETY OR PERFORMANCE BOND AND HAVE NOT BEEN THE SUBJECT OF A CLAIM UNDER AN EMPLOYEE FIDELITY BOND.

☑ FOR THE PERIOD BEGINNING TEN YEARS PRIOR TO THE DATE OF THIS CERTIFICATION, DURING PARTICIPATION IN THE DEVELOPMENTS IN THE "PREVIOUS PARTICIPATION," THERE HAS NOT BEEN:
A MORTGAGE IN DEFAULT, ASSIGNED OR FORECLOSED, NOR HAS MORTGAGE RELIEF BY THE LENDER BEEN GIVEN;
TO THE BEST OF MY KNOWLEDGE, UNRESOLVED FINDINGS RAISED AS A RESULT OF DEPARTMENTAL OR HUD AUDITS, MANAGEMENT REVIEWS OR OTHER GOVERNMENTAL INVESTIGATION CONCERNING ME OR MY DEVELOPMENTS, OR CONTRACT;
ANY BREACH BY THE OWNER OF ANY AGREEMENTS RELATING TO THE CONSTRUCTION OR REHABILITATION, USE, OPERATION, MANAGEMENT, OR DISPOSITION; OR
A SUSPENSION OR TERMINATION OF PAYMENTS UNDER ANY STATE OR FEDERAL ASSISTANCE CONTRACT.

[X] TO THE BEST OF MY KNOWLEDGE, THE APPLICANT'S PRINCIPALS HAVE DEMONSTRATED FISCAL, PROGRAMMATIC, AND CONTRACTUAL COMPLIANCE ON PREVIOUSLY AWARDED DEPARTMENT CONTRACTS OR LOAN AGREEMENTS AND RESOLUTION OF ANY PREVIOUS AUDIT FINDINGS AND OUTSTANDING MONETARY OBLIGATION WITH THE DEPARTMENT PER 10 TAC SECTION 53052 (C) (2) AND (3).

[X] AS REQUIRED BY SECTION 2306.257 OF THE TEXAS GOVERNMENT CODE, AS ADDED BY SB 323, 77TH SESSION OF THE TEXAS LEGISLATURE, AN APPLICANT MAY NOT RECEIVE FUNDS OR OTHER ASSISTANCE FROM THE DEPARTMENT UNLESS THE APPLICANT CERTIFIES THAT IT IS IN COMPLIANCE WITH THE HOUSING LAWS DESCRIBED BELOW. TO SATISFY THAT REQUIREMENT, I HEREBY CERTIFY THAT THE DEVELOPMENTS LISTED IN THE "PREVIOUS PARTICIPATION" 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.).

[X] FINANCIAL RECORDS FOR THE PROPOSED PROJECT WILL BE KEPT AT AN OFFICIALLY DESIGNATED CITY/COUNTY SITE, ACCESSIBLE BY THE PUBLIC, AND WILL BE ADEQUATELY MANAGED ON A TIMELY BASIS USING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

[X] IT IS UNDERSTOOD THAT THE APPLICANT TEAM WILL BE HELD TO THE REQUIREMENTS OF:

TITLE III, SEC. 2301 OF THE HOUSING AND ECONOMIC RECOVERY ACT,
TITLE 24 OF THE CODE OF FEDERAL REGULATIONS (CFR),
TITLE 49 OF THE CODE OF FEDERAL REGULATIONS (CFR),
TITLE 92 OF THE CODE OF FEDERAL REGULATIONS (CFR),
TITLE 42 OF THE UNITED STATES CODE (USC),
TITLE 10, CHAPTER 2306 OF THE TEXAS GOVERNMENT CODE,
THE SUBSTANTIAL AMENDMENT TO THE STATE OF TEXAS CDBG ACTION PLAN FOR THE NEIGHBORHOOD STABILIZATION PROGRAM,
THE NOTICE OF FUNDING AVAILABILITY FOR THE TEXAS NEIGHBORHOOD STABILIZATION PROGRAM, AND
THE APPLICATION INSTRUCTIONS FOR THE TEXAS NEIGHBORHOOD STABILIZATION PROGRAM.

[X] TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION IS TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

BY SIGNING THIS DOCUMENT, APPLICANT IS AFFIRMING 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 2003 & SUPP. 2007).

a. Authorized Representative

Prefix	First Name	Middle Initial	Last Name	Suffix
Mr.	Sterling	W.	Patrick	

Title

Director of Grants & Housing Department

Phone	Fax	Email
469-797-3820	469-797-3883	patrickst@cityofgarlandtx.org

b. Signature of Authorized Representative

Emily W. Patrick

c. Date Signed

6/3/09

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the July 16, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, July 2, 2009 to be placed in the July 16, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	City of Galveston Grants and Housing Department
Development Address:	P.O. Box 779 Galveston, Texas 77553
Signer's Name	Sterling W. Patrick
Signer's Title:	Director of Grants and Housing
Date:	July 2,2009

Signed: Sterling W. Patrick

Robert Stevenson

From: Sterling Patrick [PatrickSte@cityofgalveston.org]
Sent: Thursday, July 02, 2009 3:20 PM
To: Robert Stevenson; Marla Boyd
Subject: RE: Texas NSP Application # 20090010

Robb, I have executed and attached the Appeal Election Form. If possible, please let me know that you have received the form. Again, thanks for your help! Have a great weekend.

From: Robert Stevenson [mailto:robb.stevenson@tdhca.state.tx.us]
Sent: Tuesday, June 30, 2009 4:57 PM
To: Sterling Patrick; Marla Boyd
Subject: FW: Texas NSP Application # 20090010

Hello Sterling,

It was good to meet you yesterday. I just wanted to confirm in writing for you that your appeal was received on 6/29/09. However, I noticed that the attached form was not included in your letter. Please fill out the form, PDF the form and email it to me by Thursday, July 2, 2009. You may also overnight the form to me if you prefer – as long as it is received by 5:00 pm on 7/2/09. They are very strict about the form's time deadline as it is set in the Texas Administrative Code.

If Mr. Gerber grants your appeal, then the form is irrelevant. But if Mr. Gerber denies your appeal (as is typical) then your only recourse is to go before the TDHCA Board on July 16, 2009. Filling out this form will allow you to get on the Board Agenda. Not submitting the form means that the decision is totally up to Mr. Gerber.

If your appeal is ultimately denied, I hope that we might be able to work together in NSP 2.

Sincerely,

Robb

-----Original Message-----
From: Robert Stevenson
Sent: Thursday, June 25, 2009 3:50 PM
To: 'patrickste@cityofgalveston.org'
Cc: 'Marla Boyd'
Subject: RE: Texas NSP Application # 20090010

Hello Mr. Sterling,

Since we're so close to the July 16, 2009 Board Meeting, (to which NSP award recommendations will be taken), I've also attached the appeal form to this email that will get you on the Board Agenda if you intend to appeal to the Board if the first-step appeal to the Executive Director is unsuccessful.

Sincerely,

Robb Stevenson

> -----Original Message-----
> **From:** Robert Stevenson
> **Sent:** Wednesday, June 24, 2009 7:33 PM
> **To:** 'patrickste@cityofgalveston.org'; 'Marla Boyd'
> **Subject:** Texas NSP Application # 20090010
>
> Please find attached a termination letter for Texas NSP Application # 20090010. Please let me know if

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD ACTION REQUEST

July 16, 2008

Action Item

Presentation, Discussion and Possible Approval of Texas Neighborhood Stabilization Program Award Recommendations.

Requested Action

Approve, Deny or Approve with Amendments the Neighborhood Stabilization Program Award Recommendations.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program through an amendment to the existing State of Texas 2008 CDBG Action Plan (Action Plan). The purpose of the program is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

Texas has received approximately $173,000,000, approximately $71,000,000 of which has already been identified by HUD as a direct allocation to 14 cities and counties with the greatest need as determined by HUD. The Texas Department of Housing and Community Affairs (TDHCA) and the Office of Rural and Community Affairs (ORCA) are collaborating to administer the remaining approximately $102,000,000 with TDHCA taking the lead role. A Memorandum of Understanding (MOU) is being executed between TDHCA and ORCA to outline roles and responsibilities. The funds were made available in the Texas NSP Notice of Funding Availability (NOFA) as delineated below:

Texas NSP NOFA	
Direct Allocation	$50,692,337
Select Pool	$31,104,826
Land Banking	$10,000,000
Administration	$10,199,685
Total	$101,996,848

In November 2008, the Board approved the Substantial Amendment to the Action Plan for NSP. On January 30, 2009, HUD announced the approval of the Substantial Amendment for Texas and a grant agreement was executed on March 3, 2009. HUD requires all funds to be obligated

through contracts for eligible activities (such as acquisition of property) within 18 months from the grant agreement date. This very short time period requires that the Department move quickly to award funding in order to implement contract thresholds that will ensure that funding is either obligated in an expedient manner by subgrantees or returned to the State for redistribution or reuse before the deadline expires.

On March 12, 2009, the TDHCA Governing Board approved the Texas NSP Notice of Funding Availability (NOFA) which made funding available for utilization across the State. The NOFA utilized an allocation formula that expanded upon the HUD formula to account for the foreclosed and abandoned property factors as experienced in Texas. In many instances this demonstration of need was found to exceed the amount directly awarded to entities by HUD, which resulted in additional allocations to some entities. County geographical boundaries were utilized to allocate funding to areas of greatest need; any city, county or authorized nonprofit organization was eligible to apply for the funding allocated to the county in which the entity proposed to work.

On April 27, 2009 the application period of the Texas NSP closed. Seventy applications were received that requested $163,414,849 in funding; however, only $96,877,006 (including administration and land banking) is available for distribution. All applications have completed a program compliance/audit review and two additional rounds of staff review. Because of the variety of activities that are eligible for a subrecipient, the review process was intensive so that staff could be assured of what applicants were proposing as well as identifying potential administrative deficiencies.

Staff is recommending that the Board award Texas NSP funds via three mechanisms as described in the substantial Amendment to the Action Plan and the NOFA. Where land banking was requested as an activity along with a Direct Allocation or Select Pool request, the mechanisms were combined into one award recommendation. The mechanisms are as follows:

1) Direct Allocation for the counties identified as having the greatest need;
2) Select Pool distribution to the counties identified as having the next greatest need in the state; and
3) Land bank activities in greatest need communities

ORCA has been actively involved in scoring and administering funding to entities within the Select Pool counties. Land bank awards are recommended to applicants demonstrating the need and capacity to administer land bank funding. Administrative funds will be split between the State and subgrantees depending upon activities undertaken; land bank activities will garner 8% of the amount of the contract between the State and any subgrantee that is budgeted for land banking; all other activities will receive 5% of the non-administrative and non-land banking amount of the contract to cover general administrative expenses. Administration has been included in the award recommendations.

A modification of the amount of funding to be allocated from the funding categories as included in the NOFA was necessary to serve actual demand as reflected in Texas NSP applications. Subrecipient administration is included in the mechanisms. The funds are recommended to be allocated according to the mechanisms as follows:

Texas NSP Award Recommendations	
Direct Allocation	$62,495,456
Select Pool	$25,606,625
Land Banking	$8,794,925
State Administration	$5,099,842
Total	$101,996,848

The funding requests of Direct Allocation applicants were required to agree with the amounts of funding as allocated on a county geographical basis. Any amount requested that exceeded the county allocations was considered under an additional "As Available" funding request. Applicants who individually or collectively exceeded their respective county allocations were allowed to revise their applications in the Administrative Deficiency resolution process; those that did not coordinate with other in-county applicants and submit revised requests placed themselves in competition with the other in-county applicants. These competing applications were scored according to the criteria described in the Texas NSP NOFA by Department staff. If minimum requirements for funding were met, all competing applicants received the minimum base award of $500,000; the remaining amounts of the county allocations were distributed as a percentage of points awarded in the scoring process to the competing applicants.

"As Available" funding requests were funded based on the pooling of unutilized county geographical area allocations in the Direct Allocation, Select Pool and Land Banking mechanisms. According to the Texas NSP NOFA, *Application Requirements*, Section 12c:

> "…all remaining reserved or unallocated funds in the NOFA will be made available to unfunded requests under Department review by application pool."

Select Pool "As Available" requests did not compete with Direct Allocation "As Available" requests. However, "As Available" requests from the Select Pool that were not sufficiently substantiated were removed from Select Pool funding consideration and utilized to fund substantiated "As Available" requests from the Direct Allocation.

Most applicants that requested "As Available" funding did so in amounts that were equal to or less than the allocations to county geographical areas as dictated by the NOFA. This resulted in most applications with "As Available" requests receiving full award recommendations. No county areas were able to demonstrate through the application or administrative deficiency process, with irrefutable data, that the county allocations as set by the NOFA were not accurate; therefore, an argument to fund any one county geographical area in an amount that more than doubled the allocations as established by the NOFA was not permitted. Four Direct Allocation counties requested "As Available" funding that exceeded the county allocations. Applicants from these counties received proportional reductions in their "As Available" requests until such funding was equal to or slightly less than the county allocation amounts. Proportional reductions were based upon the same scoring methodology used to distribute Direct Allocation funding to oversubscribed county areas.

At the time of Board Book publication one application was unable to fully resolve all administrative deficiencies:

- 2009-0070 Midland County Housing Authority (MCHA)

It is recommended that a potential award to MCHA be postponed until the July 30, 2009 TDHCA Governing Board Meeting to allow the applicant the opportunity to fully respond to concerns identified in the administrative deficiency review process. The principal administrative deficiency is the lack of budgetary detail to justify a $6,880,125 request for the purchase and rehabilitation of a multifamily residential structure. This amount of funds is reserved further until July 30.

To promote the efficient movement of funds, staff also requests that upon approving these awards, the Board authorize the Executive Director to approve amendments to these contracts up to a 25% increase or decrease in the original contract award amount or among activities, and/or provide initial one-time extensions.

Texas NSP funding is recommended to be awarded as follows (totals include the postponed award):

County Served	Legal Name	Direct Allocation	Direct As Available	Select Pool	Select As Available	Land Bank	Total NSP Award
Multiple	Texas State Affordable Housing Corporation		$682,500			$4,341,600	$5,024,100
Bastrop	City of Elgin			$525,000	$1,680,000		$2,205,000
Bell	Fort Hood Area Habitat for Humanity	$1,117,712					$1,117,712
Bexar	San Antonio Alternative Housing Corporation	$3,307,928					$3,307,928
Bexar	Housing and Community Services, Inc.		$2,362,500				$2,362,500
Bexar	Cevallos Lofts, Ltd., NRP Holdings LLC						Disqualified
Cameron	Housing Authority of the City of San Benito	$525,000					$525,000
Cameron	Brownsville Housing Authority	$986,674	$1,661,011				$2,647,685
Cameron	City of Harlingen	$1,032,852	$108,837				$1,141,689
Cameron	Community Development Corporation of Brownsville	$1,094,398	$1,821,750			$539,925	$3,456,073
Brazos	City of Bryan			$525,000			$525,000
Collin	Inclusive Communities Project	$1,110,010					$1,110,010
Collin	Plano Housing Corporation	$1,094,267					$1,094,267
Cooke	Texoma Housing Finance Corporation			$525,000			$525,000
Coryell	Fort Hood Area Habitat for Humanity			$525,000	$105,000		$630,000
Dallas	City of Irving	$1,025,674	$1,599,326				$2,625,000
Dallas	Central Dallas Community Development Corporation	$695,625					$695,625
Dallas	Builders of Hope CDC	$1,275,750	$1,129,800				$2,405,550
Dallas	City of Garland	$987,525					$987,525
Dallas	Frazier Revitalization Incorporated	$933,975					$933,975
Dallas	North Central Texas Housing Finance Corporation		$525,000				$525,000
Dallas	Friendship-West Promised Land Investment Corp.						Disqualified
Denton	Inclusive Communities Project	$525,000					$525,000
Denton	Plano Community Home Sponsor, Inc.						Disqualified
Ector	City of Odessa	$734,193	$729,750				$1,463,943
El Paso	City of El Paso	$1,731,066					$1,731,066
Ellis	North Central Texas Housing Finance Corporation			$525,000	$525,000		$1,050,000
Fannin	Texoma Housing Finance Corporation			$525,000			$525,000
Galveston	City of Galveston						Disqualified
Galveston	Nautical Affordable Housing, Inc.						Disqualified

County Served	Legal Name	Direct Allocation	Direct As Available	Select Pool	Select As Available	Land Bank	Total NSP Award
Gonzales	City of Waelder			$525,000			$525,000
Grayson	Texoma Housing Finance Corporation			$525,000	$1,600,000		$2,125,000
Guadalupe	City of Seguin			$525,000	$1,050,000		$1,575,000
Harris	City of Houston					$2,700,000	$2,700,000
Harris	Harris County	$1,622,250					$1,622,250
Harris	Fifth Ward Community Redevelopment Corporation						Disqualified
Harris	Baytown Properties Mgmt. & Development Corp.						Disqualified
Hays	City of San Marcos			$525,000			$525,000
Hidalgo	Affordable Homes of South Texas, Inc.	$1,565,000					$1,565,000
Hidalgo	Housing Authority of the County of Hidalgo	$1,312,500					$1,312,500
Hood	Northwest Central Texas Housing Finance Corp.			$525,000			$525,000
Howard	City of Big Spring			$525,000	$279,250		$804,250
Hunt	North Central Texas Housing Finance Corporation			$525,000			$525,000
Jefferson	City of Port Arthur	$629,556	$1,380,750				$2,010,306
Jefferson	City of Beaumont	$944,335					$944,335
Johnson	Northwest Central Texas Housing Finance Corp.			$525,000			$525,000
Kaufman	City of Terrell			$525,000	$362,250	$155,000	$1,042,250
Kaufman	North Central Texas Housing Finance Corporation				$525,000		$525,000
Lubbock	City of Lubbock	$1,110,590	$1,052,500				$2,163,090
Maverick	FUTURO Communities, Inc.			$525,000			$525,000
McLennan	Neighborhood Housing Services of Waco, Inc.	$680,370	$455,700				$1,136,070
McLennan	Grand Central Texas Development Corporation						Disqualified
Midland	Midland County Housing Authority			$525,000	$6,355,125		Postponed
Nacogdoches	City of Nacogdoches						Disqualified
Navarro	North Central Texas Housing Finance Corporation			$525,000			$525,000
Orange	Nautical Affordable Housing, Inc.			$525,000			$525,000
Parker	Northwest Central Texas Housing Finance Corp.			$525,000			$525,000
Potter	City of Amarillo	$1,658,665					$1,658,665
Rockwall	North Central Texas Housing Finance Corporation			$525,000			$525,000
Tarrant	Tarrant County Housing Partnerships, Inc.	$3,843,183					$3,843,183
Tarrant	Housing Authority of the City of Fort Worth	$3,660,174	$4,639,826				$8,300,000

County Served	Legal Name	Direct Allocation	Direct As Available	Select Pool	Select As Available	Land Bank	Total NSP Award
Taylor	Habitat for Humanity, Abilene, Inc.					$518,400	$518,400
Taylor	Abilene Neighborhoods In Progress	$1,050,000					$1,050,000
Tom Green	City of San Angelo			$525,000			$525,000
Travis	City of Austin	$1,271,309	$1,271,129				$2,542,438
Travis	Travis County Housing Finance Corporation	$847,540	$525,000				$1,372,540
Walker	City of Huntsville			$525,000	$525,000		$1,050,000
Webb	City of Laredo	$2,127,102					$2,127,102
Williamson	City of Taylor	$1,119,554	$930,300			$540,000	$2,589,854
Wise	Northwest Central Texas Housing Finance Corp.			$525,000			$525,000
	Totals	**$42,302,277**	**$20,193,179**	**$12,600,000**	**$13,006,625**	**$8,794,925**	**$96,897,006**

Recommendation

Staff recommends approval of all of the above-listed awards as recommended with the exception of the aforementioned postponed award pending complete resolution of application deficiencies for Midland County Housing Authority Texas NSP Application No. 2009-0070. Staff also recommends that the Executive Director have authority to grant amendments on these contracts to ensure expedited use of funds and conformity to HUD-mandated timelines.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD ACTION REQUEST

July 16, 2008

Action Item

Presentation, Discussion, and Permission to submit an Amendment to the Action Plan for the Texas Neighborhood Stabilization Program to the US Department of Housing and Urban Development if an Amendment is necessary to make the Action Plan consistent with the action taken by the Board in the award of Texas NSP contracts today.

Requested Action

Approve or Deny permission to submit an Amendment to the Action Plan for the Texas Neighborhood Stabilization Program should one become necessary.

Background

The Neighborhood Stabilization Program (NSP) is a HUD-funded program authorized by HR3221, the "Housing and Economic Recovery Act of 2008" (HERA), as a supplemental allocation to the Community Development Block Grant (CDBG) Program, administered in accordance with an amendment to the existing State of Texas 2008 CDBG Action Plan (Action Plan). The purpose of NSP is to redevelop into affordable housing, or acquire and hold, abandoned and foreclosed properties in areas that are documented to have the greatest need for arresting declining property values as a result of excessive foreclosures.

In November 2008, the Board approved the Substantial Amendment to the Action Plan for NSP. On January 30, 2009, HUD announced the approval of the Substantial Amendment for Texas, and a grant agreement was executed on March 3, 2009. On March 12, 2009, the TDHCA Governing Board approved the Texas NSP Notice of Funding Availability (NOFA) which made available $91,797,163, which does not include administrative funds, for utilization across the State. As the Substantial Amendment budgeted amounts for Eligible Use Activities without the benefit of knowing the Eligible Uses for which the State would receive applications, there may be a disparity between the budgeted amounts and the actual demand as realized through applications and grant awards. The Consolidated Plan requires that a Substantial Amendment be amended if there is a change of over 30% in the funding of individual program categories. Depending upon action taken today by the Board, a greater than 30% change in program categories may occur. Should recommended funding be awarded today and the US Department of Housing and Urban Development (HUD) concur that the program categories indicated in the Consolidated Plan are tantamount to NSP Eligible Uses, the Department will submit an Amendment of the Substantial Amendment to HUD to allow the budgeted activities included in actual contract awards to agree with the amounts budgeted for Eligible Uses.

Recommendation

Staff recommends that permission be granted to submit an Amendment if necessary. Staff also recommends that the Executive Director have authority to request Amendments to the Substantial Amendment to ensure expedited use of funds and conformity to HUD-mandated timelines.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

BOARD ACTION REQUEST

July 16, 2008

Action Item

Presentation, Discussion, and Authorization to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding derived from the American Recovery and Reinvestment Act of 2009.

Requested Action

Approve or Deny permission to submit an application to the US Department of Housing and Urban Development for the second round of Neighborhood Stabilization Program (NSP 2) funding.

Background

The US Department of Housing and Urban Development (HUD) has released a NOFA for NSP 2, as authorized by the American Recovery and Reinvestment Act of 2009. Applications for NSP 2 are due to HUD by July 17, 2009. Unlike the initial Neighborhood Stabilization Program (NSP 1) created under HERA, which included a minimum allocation to all states, NSP 2 will be fully competitive on a national basis. Selections will be made by HUD, likely in December.

$1.93 billion is available nationally, and competition is open to states, local governments and nonprofits (including consortia and nonprofit/for profit partnerships). The minimum request amount per submission is $5 million, and requests must have a minimum impact on 100 foreclosed or abandoned homes. Due to the relatively high application threshold for need and capacity, the Department proposes to secure an amount of NSP 2 funding so that entities in Texas that would find it difficult to compete on a national scale and/or meet the application threshold to apply directly to HUD will have the option of applying to the State. The demand for funding to address declining property values brought about by excessive foreclosures and abandonment in Texas is high, as evidenced by the oversubscription of Texas NSP 1 and a significant level of state-wide need as demonstrated by HUD-calculated data for NSP 2.

No amounts are specified in the NSP 2 NOFA per state or entity. However, HUD has released two needs score criteria; the neighborhood or community proposed to be served must have at least a needs score of 18 or greater on a HUD developed scale of 1 to 20. The HUD scoring is applied on a census tract basis. The highest needs score for individual census tracts will be submitted in the application. The needs score criteria have two components and are foreclosure related: the first is a calculation of the number and percent of foreclosures in the tract and the second is a combination of the estimated foreclosure rate with the vacancy rate. The 18-point tracts are geographically dispersed. Individual census tracts with lower scores may be served if the portfolio of census tracts averages at least 18. A roundtable to get input on the structure of Department's potential proposal to HUD was held on June 11. Staff has posted a draft application on our website to garner public comment and satisfy the public input criteria. The posted draft reflects a proposed request of $110 million in NSP2 funds modeled closely on the NSP1 activities, which requests fund on behalf of the balance of the state.

Recommendation

Staff recommends that the Board allow staff to submit an application under these general guidelines for NSP 2 funding.

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST
July 16, 2009

Action Item

Housing Tax Credit Amendments.

Requested Action

Approve, amend or deny the requests for amendments.

Background and Recommendations

§2306.6712, Texas Government Code, indicates that the Board should determine the disposition of a requested amendment if the amendment is a "material alteration," would materially alter the development in a negative manner or would have adversely affected the selection of the application in the application round. The statute identifies certain changes as material alterations and the requests presented below include material alterations.

The requests and pertinent facts about the affected developments are summarized below. The recommendation of staff is included at the end of each write-up.

Limitations on the Approval of Amendment Requests

The approval of a request to amend an application does not exempt a development from the requirements of Section 504 of the Rehabilitation Act of 1973, fair housing laws, local and state building codes or other statutory requirements that are not within the Board's purview. Notwithstanding information that the Department may provide as assistance, the development owner retains the ultimate responsibility for determining and implementing the courses of action that will satisfy applicable regulations.

Penalties for Amendment Requests

§49.9(c), 2009 Qualified Allocation Plan and Rules, entitled, "Adherence to Obligations," states in part:

> If a Development Owner does not produce the Development as represented in the Application; does not receive approval for an amendment to the Application by the Department prior to implementation of such amendment; or does not provide the necessary evidence for any points received by the required deadline:
>
> (1) The Development Owner must provide a plan to the Department, for approval and subsequent implementation, that incorporates additional amenities to compensate for the non-conforming components; and
>
> (2) The Board will opt either to terminate the Application and rescind the Commitment Notice, Determination Notice or Carryover Allocation Agreement as applicable or the Department must:
>
> (A) Reduce the score for Applications for Competitive Housing Tax Credits that are submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development by up to ten points for the two Application Rounds concurrent to, or following, the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board.
>
> (B) Prohibit eligibility to apply for Housing Tax Credits for a Tax-Exempt Bond Development that are [sic] submitted by an Applicant or Affiliate related to the Development Owner of the non-conforming Development for up to 24 months from the date that the non-conforming aspect, or lack of financing, was recognized by the Department of the need for the amendment; the placed in service date; or the date the amendment is accepted by the Board, less any time delay caused by the Department.

(C) In addition to, or in lieu of, the penalty in subparagraph (A) or (B) of this paragraph, the Board may assess a penalty fee of up to $1,000 per day for each violation.

HTC No. 95005, Brandywood Apartments

Summary of Request: The request stated that the property incurred flood damage seven times between 1994 and 1999 and the flooding intensified in 2001 and 2003 after Spencer Road was redesigned in 2000. Flooding from Hurricane Ike in September of 2008 was cited as causing the most severe damage to date. The owner's letter stated, "To mitigate the effects of the redesigned highway, the State of Texas, through the Texas Water Board and the Federal Emergency Management Agency (FEMA), has provided a "Severe Repetitive Loss Grant" of $10,758,208.56 to the City of Pasadena to purchase the portion of the property which has become subject to increasingly repetitive flood loss claims."

According to the request, the owner will provide a matching contribution of $1,195,356.51, creating a total fund of $11,952,566 to purchase 17 apartment buildings containing 258 units, relocate the tenants, abate existing asbestos, demolish the buildings and create a city park/green space to avoid flood damage from the flooding that appears likely in the future. The City of Pasadena, Texas Water Board and FEMA were identified as parties to a Memorandum of Contract that governs the utilization of the funds, part of which will be used to pay down a part of the $7,000,000 in mortgage debt that remains effective for the property. The green space is proposed to be deed restricted in perpetuity. The owner stated that its consent to the demolition arrangement was voluntary but FEMA would have the option to increase the cost of flood insurance to the development by 150% each year if the owner refused the agreement.

According to the Department's records, the development was approved for tax credits in 1995 with 51 residential buildings on 21.7896 acres. The development was approved with a 70% applicable fraction. Therefore 489 units of the 698 unit total were restricted to rents at the 60% of AMGI level and the remaining 209 units were to be rented at market rates. The land and improvements that are scheduled to be eliminated from the development consist of a 7.46 acre tract of land containing fifteen buildings and a 0.37 acre tract, containing two buildings. The buildings to be taken reportedly contain 258 units and 229,668 square feet of net rentable area. After the targeted units are eliminated, the development will consist of 440 units.

Although the owner has proposed that all 440 of the units that will remain in service be restricted by an amended land use restrictive agreement to rents that conform to the 60% of AMGI level, this proposal does not conform to the original terms of the allocation because the Forms 8609 that allow owners to use the tax credits were issued on a building by building basis. As issued, and considering the 70% applicable fraction of the development, the buildings to be demolished were associated with the BINs (tax credit Building Identification Numbers) and tax credits stated below.

Bldg.	BIN	Tax Credits	Bldg.	BIN	Tax Credits	Bldg.	BIN	Tax Credits
1	TX-95-0178	$ 9,862	8	TX-95-0185	$ 4,342	15	TX-95-0192	$ 4,342
2	TX-95-0179	$ 8,684	9	TX-95-0186	$ 13,026	16	TX-95-0193	$ 10,855
3	TX-95-0180	$ 8,684	10	TX-95-0187	$ 6,513	17	TX-95-0194	$ 6,513
4	TX-95-0181	$ 8,684	11	TX-95-0188	$ 10,855	40	TX-95-0217	$ 4,342
5	TX-95-0182	$ 10,855	13	TX-95-0190	$ 4,342	41	TX-95-0218	$ 6,513
6	TX-95-0183	$ 13,026	14	TX-95-0191	$ 8,684		Total Credits	$140,122

Owner: Brandywood Housing Community, Ltd.
General Partner: Brandywood Apartments, Inc.
Developers: American Housing Foundation (Nonprofit)
Principals/Interested Parties: Richard Crawford, Lee Ann Rodgers (general contacts)
Syndicator: The Richman Group
Permanent Lender: Texas Capital Bank, N.A.

Other Funding:	NA
City/County:	Pasadena/Harris
Set-Aside:	Nonprofit (General Population)
Type of Area:	Urban
Region:	6
Type of Development:	Rehabilitation
Population Served:	General Population
Units:	489 HTC units and 209 market rate units in 51 buildings
1995 Allocation:	$390,624
Allocation per HTC Unit:	$784
Prior Board Actions:	1995 – Approved award of tax credits
Underwriting Reevaluation:	The development will be financially feasible post demolition and the owner estimates a tax credit recapture of $380k.
Staff Recommendation:	**Staff recommends approval of the request to amend the LURA to be 100% of the units as restricted and release 258 units. The Department does not have the ability to modify the 8609's. The Department will be required to issue IRS Forms 8823.**
Penalty Assessment:	**Staff recommends no assessment of penalties.**

HTC No. 05629, Village Park Apartments

Summary of Request: This request was tabled at the Board Meeting of April 23, 2009 so that the owner could propose an additional amenity as a substitute for the ceiling fans described as a deficiency below. The owner reported to the Board that the fans were not included in the original rehabilitation scope of work by error. However, the owner also reported that when the error was discovered, an estimate of the cost of the mistake was $839,000. The owner told the Board that the high cost reflected the need to install approximately 1,200 fans which also required the installation of 230 new circuit breakers and wiring for each unit. The owner indicated that these installations would, to some degree, intrude upon approximately 900 tenants. The Owner asked the Board if he could find another amenity to substitute that would be less financially taxing on the development. As a more financially feasible and less intrusive alternative, the owner has now proposed to install built-in microwave ovens which will replace the vent hoods in all 418 units at a cost of $320 each or a total cost of $135k to 165k depending on circuitry.

In addition to the microwave ovens, the owner requests consideration of an equipped computer learning center and furnished community room as amenities to offset the lack of ceiling fans in the development. The features are beneficial to the development and were not represented in the application for scoring points or for meeting Threshold.

A summary of the amendment requests is following. The development is the rehabilitation of an existing apartment complex. The owner requests approval for changes in the application to resolve deficiencies and for revisions to resolve discrepancies in reporting. The approvals are needed to allow the cost certification review to proceed. The issues are presented below in the same order as discussed in the owner's letter of request. Each of the deficiencies listed below was identified by the Department's inspectors and/or cost certification reviewer. Each request conveys the owner's proposal for resolving the deficiency. The finding is staff's report about the relevant facts of the deficiency and the owner's proposal to resolve the deficiency. The finding is based on evidence in the application file, cost certification, other documentation, and information from the owner. The finding indicates staff's recommendation regarding the owner's request.

Deficiency: The building count in the application does not match the count in the cost certification.

Request: Accept the count as stated in the cost certification.

Staff Comment: The same buildings were counted in different ways, for example, by counting two attached buildings as two buildings in one exhibit and as one building in another exhibit. Importantly, the unit count is not at issue and the buildings depicted in the application site plan were the same as those in the as-built survey. Furthermore, there is not impact on development cost since this was an acquisition and there was no real change to the actual number of buildings.

Deficiency: The development as built violates the Threshold requirement by not having ceiling fans in the living area and bedrooms of all units. Ceiling fans are present in the living rooms, only.

Request: Ceiling fans were present in the living rooms of all units before the rehabilitation began. The owner stated that the fans were not installed in the bedrooms by mistake. The owner stated that because all units were known to have ceiling fans, the requirement was believed to have been met. The fact that the fans were only present in the living rooms while also required in the bedrooms was not recognized.

The owner stated that installing the fans would have required the concurrent installation of 230 new electrical panels and associated upgrades of the capacity of electrical service. A bid from the general contractor to install the upgrades was $839,425 or $2,008 per dwelling unit. This cost is equivalent to approximately 20% of the total rehabilitation budget. In addition, the development operates under an

asbestos operations and maintenance plan and there would be costs, above those already stated, to deal with the asbestos and relocate tenants. The owner submitted a letter from the architect and an estimate from the general contractor evidencing the costs and other information given above. The owner proposed to install a pavilion with barbeque grills and picnic tables as a substitute for the ceiling fans and submitted the general contractor's estimate that the pavilion and a community garden would cost approximately $76,877.

Staff Comment: The failure to fulfill Threshold would have prevented the development from receiving an award. The substitute feature proposed is the pavilion with barbeque grills and picnic table, only, and is not comparable.

Deficiency: An "accessible walking path" with a value of two points was selected in the application's Common Amenities exhibit but was not delivered.

Request: The owner explained that the concrete walkways winding through the development were intended to satisfy the requirement but were found deficient by the Department's inspectors. The owner requested to substitute a "furnished and staffed children's activity center" worth six points as a replacement for the walking path. The owner stated that this features includes a staffed "Kids Club" after school activities program from 2:30 pm to 5 pm. The program is proposed to operate during the summer as well as during the school year, providing snacks and lunch in the summer.

Staff Comment: This substitution would replace the two points lost with six points. If approved, the owner will be required to agree to this feature as a condition of the LURA and the operation of the feature must be effective throughout the affordability period.

Deficiency: "Community garden" was a selection in the Common Amenities exhibit that was worth two points. The owner explained that the amenity was not delivered because the term "community garden" was interpreted to mean the landscaped areas of the development, not a separate garden area for the use of tenant gardeners as the exhibit intended.

Request: The owner indicated that a community garden will be built to satisfy this deficiency. As stated earlier, the owner submitted a cost estimate (bid) from the general contractor stating a cost of $76,877 for the garden and pavilion, combined.

Staff Comment: When the owner implements its proposal, the issue will be resolved.

Deficiency: "Sport court (tennis, basketball or volleyball)" was an item selected for four points in the Common Amenities exhibit that was not found upon final inspection.

Request: The owner said that a volleyball court was present in the development at the time of application but was eliminated in response to a resident survey. Based on the survey, the owner stated that the existing children's playground was expanded and a "soccer area" was created beside the playground and within the playground area. The owner requested that the soccer area and the expansion of the playground be accepted as a substitute for the "sport court".

Staff Comment: Staff believes that the expansion of the playground area is an acceptable substitute.

Deficiency: The Department's inspectors noted that "two children's playgrounds", each worth two points (four points in total) in the Common Amenities exhibit, were not observed.

Request: The owner requested that the expansion of the playground be accepted as fulfilling the original representation. The owner stated that the original playground area is 95 feet by 99 feet and the additional

area is 57 feet by 31 feet. The owner stated that additional equipment was installed in the latter area when it was prepared. The "soccer area" discussed with the previous deficiency is adjacent to the playground.

Staff Comment: As stated earlier, the owner expanded the development's existing playground. The owner provided photographs of the playground showing a variety of equipment. Both playground areas are separated by a chain link fence and include equipment that is appropriate for five to twelve year old children. The areas are adjacent which raises the question of whether they constitute "two children's playgrounds" or only one large playground. Because the playground has separate sections and has a "soccer area" as noted in the previous deficiency discussed, staff views the amenity built as sufficient to satisfy the criteria for the points on this Threshold scoring item.

Deficiency: "Full perimeter fence with controlled gate access", worth six points, was selected in the Common Amenities exhibit but only a "full perimeter fence without controlled gate access", worth four points, was delivered.

Request: The owner stated that the deficiency was a mistake resulting from the presence of an unmanned guardhouse at the main entry to the property. The owner requested that "public telephone(s) available to tenants 24 hours a day", worth four points, be accepted to offset the two point deficiency.

Staff Comment: "Public telephones" was an item available for selection but not selected in either the Specifications and Amenities exhibit or Common Amenities exhibit. Therefore, staff found this request acceptable.

The remaining items do not relate to the Common Amenities exhibit score or to Threshold, generally, but the last request may be deemed a material alteration of the development because it affects the units mix.

Deficiency: A total of 627 open parking spaces were specified in the application but only 551 spaces were certified in the cost certification.

Request: Accept the existing parking as sufficient.

Staff Comment: With 551 spaces, the development has a parking ratio of over 1.3 spaces per unit and is in compliance with the city's requirements, which is the primary requirement the Department relies upon for the level of appropriate parking. Meeting the city’s standard would have been sufficient at application. Therefore Staff recommends acceptance of this request.

Deficiency: The mix of tax credit units versus market rate units has changed. The unit applicable fraction was proposed as 85%, based on 355 rent restricted units and 63 market rate units. The unit applicable fraction as built was 87% based on 364 restricted units and 54 market rate units.

Request: The owner requested that the higher number of restricted units be approved.

Staff Comment: As there are no points associated with this change, staff recommends the request be granted. It should be noted that a higher applicable fraction will generate slightly more qualified basis even with the same amount of eligible basis. Therefore, the owner will qualify for slightly more credits. Since this is a 4% credit development associated with tax-exempt bonds, the credit amount is not limited and can be increased if necessary.

Summary of Staff Comments: The findings above indicated that the points for the amenities that were not delivered were exactly offset by the points for replacement amenities and there would be no net gain or loss of points. The application required a score of 18 points in the Common Amenities exhibit to meet Threshold and the selections actually made totaled 24 points. In addition, two other amenities can be

considered as additional features. "Equipped computer learning center" was a selection not chosen but available for four points in the Common Amenities exhibit. "Computer room/facilities" was a selection not chosen but available for two points in the same exhibit. Similarly, these items were available to be marked but were not marked in the Specifications and Amenities exhibit.

Owner:	Village Park Apartments Partners, Ltd.
General Partner:	Summit America Properties, Inc.
Developers:	Summit Asset Management, LLC
Principals/Interested Parties:	W. Daniel Hughes, Jr.
Syndicator:	Guilford Capital Corporation
Construction Lender:	Regions Bank
Permanent Lender:	FNMA through Greystone Servicing Corporation, Inc.
Other Funding:	NA
City/County:	Houston/Harris
Set-Aside:	Tax-Exempt Bond Development-TDHCA Issuer
Type of Area:	Urban
Region:	6
Type of Development:	Acquisition/Rehabilitation
Population Served:	General Population
Units:	355 HTC units and 63 market rate units
2005 Allocation:	$574,490
Allocation per HTC Unit:	$1,618
Prior Board Actions:	7/05 – Approved award of tax credits
Underwriting Reevaluation:	The current changes in the request do not negatively impact the feasibility of the development. The owner has submitted the cost certification package and requested credits of $629,380, which is $54,890 more than originally awarded. Although the credit allocation has not been finalized, the underwriter has substantiated $38,319 of the increase. Without the amendment request, the increase could be approved by the executive director because it was less than a 10% increase.
Staff Recommendation:	**Although staff may not recommend approval for omitting the ceiling fans, staff does recommend approval of all other parts of the owner's request, noting that the Board may approve the request, including the ceiling fans. The fans were a Threshold requirement in 2005 and a provision for their replacement by substitutes is absent from the rules.**
Penalty Assessment:	**Staff must recommend the assessment of appropriate penalties because the request is made after the implementation of the change.**

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report

REPORT DATE: 06/08/09 PROGRAM: 9% HTC FILE NUMBER: **95005**

DEVELOPMENT

Brandywood Apartments

Location: 6411 Spencer Highway and 5150 Red Bluff Rd. Region: 6

City: Pasadena County: Harris Zip: 77505 ☐ QCT ☐ DDA

Key Attributes: General, Urban, Existing Development

AMENDMENT

Request:
Approval to amend the Land Use Restriction Agreement to release 17 buildings (258 units) from the existing LIHTC restrictions.

Background:
The development was awarded an allocation of 9% housing tax credits in 1995 in the amount of $390,624. The Department issued IRS Forms 8609 in May 2000 and the first year of the credit period was 1997. All tax credits have been claimed by the Owner, but the development is still within the compliance period (expires in 2011) and therefore subject to recapture.

The development currently contains 51 buildings with 698 units. 17 of the buildings have flooded 10 times since being constructed with the most severe damage occurring in 2008 during Hurricane Ike. The City of Pasadena through the Texas Water Development Board filed a grant application under FEMA's Severe Repetitive Loss ("SRL") Grant Program for the demolition of these 17 buildings (34 buildings to remain) and the conveyance of the land to the City of Pasadena for use as park land. The Owner is voluntarily participating in the FEMA program stating that the premiums for the flood insurance provided by FEMA would increase 150% per year until the Owner participated.

Through the city, the grant of $10,758,209 will retire a portion of the mortgage, pay an estimated $380k of tax credit recapture, relocate the few remaining residents that reside in the subject buildings, abate asbestos, demolish the buildings and create a park area on the vacated land. The Owner is required by the city to provide 10% in match funds of $1,195,357 which is effectively provided through the sale of the land to the city. The existing loan of $7.1M will be reduced to $5M.

Currently, there are 489 units restricted by the tax credit LURA (70% of the total 698 units at 60% AMFI). The Owner has agreed to restrict 100% of the remaining 440 units post demolition. While this represents a loss of 58 restricted units, this loss is mitigated by the current low occupancy of the 258 to-be demolished units (approximately 20% or 52 units) effectively creating a net gain of quality affordable units (approximately 76 units) using the Underwriter's post demolition occupancy assumption at 85% on the remaining 440 units.

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Limited Scope of Analysis:
The purpose of this analysis is to determine whether the project will be financially feasible post demolition of the buildings and the partial retirement of current mortgage. Because 8609's have been issued and all tax credits have been claimed by the Owner, a determination of the credit allocation is not material to this report. This analysis is limited to:

1) The underwriter does not project rental rate increases on the remaining units and did not evaluate current market conditions or comparable properties. It is assumed that the property will be able to maintain the current depressed rental rates. The current rental rates are significantly lower than the tax credit maximum rents.

2) The underwriter assumes an 85% economic occupancy on the remaining 440 units (based on a 10% increase to the current occupancy of these units) acknowledging that even higher occupancy should be achievable once the demolition of the distressed buildings allow for improved marketing of the property.

3) Due to the extraordinary operating history caused by the repeated flooding, high vacancy and repairs, the historical operating statements are not useful in the analysis. Expense estimates in this analysis are based on the Owner's proforma and the Department's database and IREM expense comparables.

4) The underwriter assumes that the debt will be reduced ($2.1M) and reamortized at 5% interest over 30 years pursuant to terms underwritten and agreed to by the lender.

OPERATING PROFORMA ANALYSIS

Under the limited scope, the Underwriter's proforma results in a DCR of 1.31 which falls within the REA underwriting parameters . The Underwriter's per unit expenses of $3,924 are within 1% of the Owner's estimate of $3,902. The Owner used rents and occupancy assumptions producing effective gross income that is $340k higher than the Underwriter, resulting in higher DCR of 2.40.

Using the Underwriter's proforma, in order to achieve breakeven operations at the underwritten rents, the development would have to achieve an 81% economic occupancy. The Owner's proforma indicates a 71% economic occupancy to break even.

While the long term proforma indicates a declining DCR, eventually below 1.00 times, the DCR over the remaining compliance period remains above 1.20 times under the conservative limiting assumptions. The DCR drops below a 1.00 times in year 11.

CONCLUSIONS

Actual operations should improve dramatically post demolition of the 17 buildings and are likely to exceed the Underwriter's limited and conservative analysis. Based on both the Underwriter's proforma, the development will be feasible through the remaining 3 year compliance period. Therefore, granting approval of the release of the 17 buildings is recommended.

Underwriter:	*Audrey Martin*	Date:	June 8, 2009
Director of Real Estate Analysis:	*Brent Stewart*	Date:	June 8, 2009

AMENDMENT COMPARATIVE ANALYSIS

Brandywood Apts, Pasadena, HTC #95005
Reviewed by: A. Martin
Date: 6/2/09

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	140	1	1	552	$687	$380	$53,200	$0.69	$62.00	$41.00
TC 60%	32	1	1	657	$687	400	12,800	0.61	62.00	41.00
TC 60%	20	1	1	670	$687	425	8,500	0.63	62.00	41.00
TC 60%	8	1	1	720	$687	415	3,320	0.58	62.00	41.00
TC 60%	28	2	2	1,060	$825	545	15,260	0.51	76.00	52.00
TC 60%	102	2	2	913	$825	530	54,060	0.58	76.00	52.00
TC 60%	84	2	2	950	$825	500	42,000	0.53	76.00	52.00
TC 60%	12	3	2	1,220	$953	720	8,640	0.59	85.00	63.00
TC 60%	14	3	2	1,340	$953	745	10,430	0.56	85.00	63.00
TOTAL:	440		**AVERAGE:**	803		$473	$208,210	$0.59	$70.17	$47.65

INCOME	Total Net Rentable Sq Ft: 353,470			TDHCA	APPLICANT	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$2,449,241	$2,920,368	Harris	Houston	6
Secondary Income	Per Unit Per Month:		$15.00	79,200	82,000	$15.53	Per Unit Per Month	
Gain from Involuntary Conversions				0	0	$0.00	Per Unit Per Month	
Insurance: Lost Rent Revenue				0	0	$0.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$2,528,441	$3,002,368			
Vacancy & Collection Loss	% of Potential Gross Income:		-15.00%	(379,266)	(360,103)	-11.99%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions					(152,206)	-11.99%		
EFFECTIVE GROSS INCOME				$2,149,174	$2,490,059	88.01%		
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	8.07%	$394	0.49	$173,480	$135,960	$0.38	$309	5.46%
Management	5.00%	244	0.30	107,459	99,602	0.28	226	4.00%
Payroll & Payroll Tax	21.21%	1,036	1.29	455,810	485,377	1.37	1,103	19.49%
Repairs & Maintenance	11.64%	568	0.71	250,092	317,240	0.90	721	12.74%
Utilities	7.32%	358	0.45	157,411	285,516	0.81	649	11.47%
Water, Sewer, & Trash	7.21%	352	0.44	154,991	0	0.00	0	0.00%
Property Insurance	5.65%	276	0.34	121,440	124,630	0.35	283	5.01%
Property Tax 2.697931	6.54%	320	0.40	140,659	114,549	0.32	260	4.60%
Reserve for Replacements	7.17%	350	0.44	154,000	154,000	0.44	350	6.18%
TDHCA Compliance Fees	0.51%	25	0.03	11,000	0	0.00	0	0.00%
Other:	0.00%	0	0.00	0	0	0.00	0	0.00%
TOTAL EXPENSES	80.33%	$3,924	$4.88	$1,726,341	$1,716,874	$4.86	$3,902	68.95%
NET OPERATING INC	19.67%	$961	$1.20	$422,834	$773,185	$2.19	$1,757	31.05%
DEBT SERVICE								
First Lien Mortgage	14.99%	$732	$0.91	$322,093	$322,093	$0.91	$732	12.94%
Additional Financing	0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
Additional Financing	0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
NET CASH FLOW	4.69%	$229	$0.29	$100,741	$451,092	$1.28	$1,025	18.12%
AGGREGATE DEBT COVERAGE RATIO				1.31	2.40			
RECOMMENDED DEBT COVERAGE RATIO				1.31				

PAYMENT COMPUTATION

Primary	$5,000,000	Amort	360
Int Rate	5.00%	DCR	1.31

Secondary	$0	Amort	
Int Rate		Subtotal DCR	1.31

Additional	$0	Amort	
Int Rate		Aggregate DCR	1.31

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$322,093
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$100,741

Primary	$5,000,000	Amort	360
Int Rate	5.00%	DCR	1.31

Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.31

Additional	$0	Amort	0
Int Rate	0.00%	Aggregate DCR	1.31

AMENDMENT COMPARATIVE ANALYSIS (continued)

Brandywood Apts, Pasadena, HTC #95005

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 2.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$2,449,241	$2,498,225	$2,548,190	$2,599,154	$2,651,137	$2,927,069	$3,231,721	$3,568,081	$4,349,471
Secondary Income	79,200	80,784	82,400	84,048	85,729	94,651	104,503	115,379	140,647
Insurance: Lost Rent Revenue	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	2,528,441	2,579,009	2,630,590	2,683,201	2,736,865	3,021,721	3,336,224	3,683,460	4,490,118
Vacancy & Collection Loss	(379,266)	(386,851)	(394,588)	(402,480)	(410,530)	(453,258)	(500,434)	(552,519)	(673,518)
Employee or Other Non-Renta	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$2,149,174	$2,192,158	$2,236,001	$2,280,721	$2,326,336	$2,568,462	$2,835,790	$3,130,941	$3,816,600
EXPENSES at 3.00%									
General & Administrative	$173,480	$178,684	$184,045	$189,566	$195,253	$226,352	$262,404	$304,198	$408,817
Management	107,459	109,608	111,800	114,036	116,317	128,423	141,790	156,547	190,830
Payroll & Payroll Tax	455,810	469,484	483,568	498,075	513,018	594,728	689,453	799,265	1,074,145
Repairs & Maintenance	250,092	257,594	265,322	273,282	281,480	326,313	378,286	438,537	589,357
Utilities	157,411	162,133	166,997	172,007	177,167	205,385	238,098	276,021	370,949
Water, Sewer & Trash	154,991	159,640	164,430	169,363	174,443	202,228	234,437	271,777	365,246
Insurance	121,440	125,083	128,836	132,701	136,682	158,452	183,689	212,946	286,181
Property Tax	140,659	144,879	149,226	153,702	158,314	183,529	212,760	246,647	331,473
Reserve for Replacements	154,000	158,620	163,379	168,280	173,328	200,935	232,939	270,040	362,911
Other	11,000	11,330	11,670	12,020	12,381	14,353	16,638	19,289	25,922
TOTAL EXPENSES	$1,726,341	$1,777,056	$1,829,272	$1,883,032	$1,938,383	$2,240,697	$2,590,494	$2,995,267	$4,005,832
NET OPERATING INCOME	$422,834	$415,101	$406,729	$397,689	$387,953	$327,765	$245,296	$135,675	($189,232)
DEBT SERVICE									
First Lien Financing	$322,093	$322,093	$322,093	$322,093	$322,093	$322,093	$322,093	$322,093	$322,093
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$100,741	$93,009	$84,636	$75,596	$65,860	$5,672	($76,797)	($186,418)	($511,325)
DEBT COVERAGE RATIO	1.31	1.29	1.26	1.23	1.20	1.02	0.76	0.42	(0.59)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: TDHCA Governing Board

From: Audrey Martin, Real Estate Analysis

cc: File; Ben Sheppard, Multifamily Finance Production

Date: June 4, 2009

Re: Amendment Request for Village Park Apartments, TDHCA #05629

Background
The development was originally underwritten and approved for an award in 2005. An amendment request was presented to the Board during the April 2009 Board meeting, but was tabled to allow the Owner and staff to further address the request to omit ceiling fans, which were a threshold amenity.

Amendment Request
The Owner is proposing to install microwave oven / range hood combinations as an alternative to ceiling fans. The Owner submitted a bid for $133,760 for the installation, or $320 per unit. There is sufficient deferred developer fee to cover the cost of the microwaves, and sufficient cash flow to repay the additional deferred developer fee. The cost certification has been submitted to the Department, and includes final, certified costs that substantiate the Owner's credit request. The additional cost of the microwaves will not change the credit recommendation at this time, as only final, incurred costs may be considered for the purpose of determining the final credit allocation.

Conclusions
The change identified in the amendment request does not negatively impact the underwriting of the transaction. Staff will not recommend a change to the tax credit award prior to finalization of the cost certification review process.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Real Estate Analysis Division
Underwriting Report Addendum

REPORT DATE: 04/02/09 PROGRAM: 4% HTC / Bond FILE NUMBER: **05629**

DEVELOPMENT

Village Park Apartments

Location: 8701 Hammerly Boulevard Region: 6

City: Houston County: Harris Zip: 77080 [X] QCT [ ] DDA

Key Attributes: Acquisition/Rehabilitation, General, Urban

ALLOCATION

	REQUEST			RECOMMENDATION		
TDHCA Program	Amount	Interest	Amort/Term	**Amount**	**Interest**	**Amort/Term**
Housing Tax Credit (Annual)	$629,380			**$612,809**		

* The development was originally awarded annual tax credits of $574,490 and $13,660,000 in TDHCA issued bonds. However, pursuant to 49.12(d) of the 2009 QAP a tax-exempt bond development is eligible to request additional credits than originally awarded. In conjunction with the development's final cost certification the Owner has requested $54,890 or 9.5% in additional tax credits. Since this amount is less than 10% more than the amount reflected in the 2005 Determination Notice issued to the Owner, the request may be approved by the Executive Director. However, since this development is being presented to the Board for approval of the requested changes to the application, approval of the additional credit request is also included for Board approval.

RECOMMENDATION

Staff has evaluated the financial viability of the requested amendment. Based on the revised information provided, the transaction meets the Department's 2008 and 2009 Real Estate Analysis Rules and Guidelines. If the Board chooses to approve the amendment, the Underwriter recommends a total allocation of $612,809, subject to the following condition.

CONDITIONS

1 The Owner is requesting $16,571 more in tax credits than are being recommended. If a commitment is received from Boston Capital for the purchase of the additional $16,571 in tax credits, including syndication rate, prior to the issuance of IRS Forms 8609, staff recommends an allocation of up to $629,380, dependent upon the syndication rate indicated in the commitment from Boston Capital.

SALIENT ISSUES

TDHCA SET-ASIDES for LURA		
Income Limit	Rent Limit	Number of Units
60% of AMI	60% of AMI	364

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ADDENDUM

The subject development is an acquisition and rehabilitation 4% bond transaction that was originally underwritten and approved in 2005. In association with the development's final construction inspection and submission of the final cost certification, the Owner has requested an amendment to the application as follows:

- Approval for a change in the number of affordable and market rate units to 364 affordable units and 54 market rate units instead of 355 affordable units and 63 market rate units.
- A correction in the number of residential buildings from 27 to 25.
- Approval for the installation of a pavilion with picnic tables and barbecue grills as a replacement for ceiling fans in the bedrooms.
- Approval for a children's activity center as a replacement for accessible walking path.
- Approval for a soccer area as a replacement for the volleyball court in order to meet the sport court requirement.
- Approval for an additional smaller playground area adjacent to the existing playground in order to meet the requirement for two children's playgrounds.
- Approval for a public telephone available to tenants 24 hours a day as a replacement for controlled gate access.
- Approval for a decrease in the number of parking spaces from 627 to 551 total.

Unit Mix

The first item identified in the amendment request is change in the mix of units between affordable and market rate. Originally, the application identified 355 affordable units and 63 market rate units, but at cost certification, 364 affordable units and 54 market rate units were identified. This changed the unit applicable fraction from 85% to 87%. The Owner explained that the cost certification documentation reflects the actual and final unit mix based on the income qualifications of the existing residents. The Owner stated that the purpose of the change is to avoid the forced relocation of residents.

Number of Buildings

The Owner is requesting a correction to the number of buildings. There are 25 buildings on the property; however, there were discrepancies in the number of buildings between different application exhibits, with the number of buildings being presented between 24 and 27. Most documentation in the application, including the appraisal, environmental site assessment, and development plan description, identified 27 residential buildings. However, a site plan in the application identified 24 residential structures, which were treated as 25 residential buildings by counting one physical structure as two separate buildings. The amendment request from the Owner explains that prior to taking ownership of the development, Building 10 was damaged in a fire and not re-built. This building was not reflected in the site plan, and the as-built survey submitted at cost certification is consistent with the site plan. This correction does not affect the number of units or square footage.

Amenities

Ceiling Fans - The Owner stated that the absence of ceiling fans in the bedrooms is a result of a misunderstanding about the requirement for ceiling fans. The Owner indicated that ceiling fans are included in the living areas but are not included in the bedrooms. The Owner explained that the installation of the ceiling fans would require the replacement of 240 electrical panels, and the cost would be $839,425 or $2,008 per unit. Additionally, the property operates under an asbestos operations and maintenance program, and there could be additional costs associated with demolition and renovation activities and relocation of tenants. For these reasons, the Owner believes that the installation of ceiling fans in the bedrooms is infeasible and proposes to build a pavilion with picnic tables and barbecue grills as a replacement amenity. The Owner submitted an estimate from a contractor indicating the cost of the pavilion and a community garden would be $76,877.

Accessible Walking Path - The Owner also mistakenly interpreted accessible walking path as being the accessible walkways winding through the property. The Owner offers a children's activity center as a substitute for the accessible walking path.

Sport Court - The amendment request also identifies a change to the sport court provided. At application, a volleyball court was present at the development, but the Owner explained that after surveying community interests, the volleyball court was replaced with additional children's playground equipment. The Owner proposes a soccer area as a replacement for the volleyball court.

Children's Playgrounds - Two children's playgrounds were also proposed at application, but during the construction inspection by the Department, the amenity was not observed. The Owner explained that playground equipment was installed in a 57' by 31' bordered area adjacent to the existing playground, which is in a 99' by 95' bordered area. The Owner believes the installation of the new playground equipment is sufficient to satisfy the requirement for two children's playgrounds.

Full Perimeter Fencing - Full perimeter fencing with controlled gate access was also originally proposed in the application, but the Owner explained that this was misinterpreted due to the fact that the entry to the site does have a guard shack. The Owner indicated that full perimeter fencing without controlled gate access should have been proposed originally. A public telephone available to tenants 24 hours a day is offered as a replacement for the controlled access gate.

Parking Spaces

The Owner's request also addresses a difference in the number of parking spaces at the development. The application identified 627 parking spaces and at cost certification, the architect certified to the presence of 551 parking spaces. The Owner stated that this was an error on the application and is requesting approval for the development as built.

The final development costs, as certified by the CPA, are $442K greater than the Underwriter's estimate at application, and eligible basis increased by $1,378,295 in comparison to the Underwriter's estimate at application. This cost increase qualifies the development to receive a credit allocation greater than the originally approved amount at application. The change to the applicable fraction also accounts for approximately 25% of the increase to the final credit amount, but the higher credit amount is primarily a result of the increase in costs.

OPERATING PROFORMA ANALYSIS

Income:

The Owner's projected rental income is calculated by subtracting the Houston Housing Authority utility allowances from gross rents that are lower than the program gross rent limits. According to the rent roll provided in the cost certification the property is not collecting the maximum tax credit rents. At application, the Market Analyst estimated the market rents to be lower than the program rents for the area, thus reflecting that the market was not able to support the maximum program rents. The Underwriter's projected rental income uses the average tenant paid rents as reflected in the rent roll as of 1/31/09. The Owner's potential gross rent estimate is about $43K or 1% greater than the Underwriter's estimate. However, there is a significant difference in the estimate of secondary income due to the fact that the Owner charges tenants a pass-through utility cost capped at the utility allowance for electric costs.

Another difference between the Owner's estimate and the Underwriter's estimate is that the Owner included $120K in rental concessions and this loss was not considered in the Underwriter's analysis, as it should not be necessary once the property reaches stabilization. Therefore, the net effect of higher secondary income and rental concessions is that the effective gross income projected by the Owner is more than 12% greater than the Underwriter' s estimate.

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Expenses:

The Owner's proforma reflects higher expenses than indicated by the property's operating history, and as a result the Underwriter relied upon the TDHCA database, IREM, and the property's actual operations in estimating expenses. The Owner's total annual operating expense estimate of $5,704 per unit is more than 18% greater than the Underwriter's estimate of $4,813. Several of the Owner's line-item expenses are inconsistent with the Underwriter's estimates: general and administrative ($52K or 59% lower); repairs and maintenance ($43K or 28% lower); utilities ($385K or 86% higher); property taxes ($80K or 43% higher); and compliance fees ($2K or 17% greater). The difference in the utilities line item is in part due to the fact that the Underwriter's estimate reflects the net cost to the Owner after the utility reimbursement charged to the tenants. In contrast, the Owner identified the gross utility cost but the utility reimbursement was identified as a secondary income source. It is important to mention that although the Underwriter's analysis projects an expense to income ratio below 65%, the Owner's expense to income ratio exceeds the Department's 65% limit.

Conclusion:

Although the Owner's net operating income is within 5% of the Underwriter's estimate, the income and expense estimates of the Owner are not within 5% of the Underwriter's estimates. Therefore, the Underwriter's Year One proforma is used to determine the development's debt capacity. Because the development was originally underwritten utilizing a 3% income escalator and 4% expense escalator, the Underwriter's proforma has utilized these escalators, consistent with the 2008 REA Rules and Guidelines. Based on the proposed financial structure reflected in the Cost Certification, which includes the Owner's expected reduction in the permanent loan, the DCR of 1.24 falls within the Department's guidelines. If the permanent loan was not reduced as expected by the Owner, the development would have a DCR of 1.16, which also falls within the Department's guidelines. In addition, utilizing the 2% income escalator and 3% expense escalator required by the 2009 REA Rules and Guidelines, the development has above a 1.15 DCR and positive cash flow for the initial 15 years, as required by the REA Rules and Guidelines.

CONSTRUCTION COST ESTIMATE EVALUATION

Cost Schedule:

The Department has received the Cost Certification for this development, and evidence of the final development costs, as certified by the development CPA, has been included as part of the documentation. The Owner's site work costs have decreased by $621K or 51%, while direct construction costs have increased by $1.6 million or 97% from the estimates provided at application. Contractor fees increased $69K or 17%. Indirect construction costs increased by $21K or 20%. Developer fees increased by $104K or 4%. However, the total development cost is $442K or 2% greater than the Underwriter's estimate at application. Additionally, since this is an acquisition and rehabilitation project, the Owner's final development costs are utilized to determine the final credit amount.

Conclusion:

It appears that the changes made to the development have not affected the reasonableness of the Owner's final, certified development costs. As a result, the Owner's development cost schedule will be used to determine the development's final need for permanent funds and to calculate eligible basis. Eligible basis of $19,448,044 supports annual tax credits of $629,412. This figure will be compared to the tax credits previously approved by the Board, the Owner's current request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

Issuer: TDHCA

Source: Greystone Servicing Corporation Type: **Interim to Permanent Bond Financing**

Tax-Exempt: $12,740,000 Interest Rate: 6.10% [X] Fixed Amort: 360 months

Comments:

The loan has not converted to the permanent phase; conversion to permanent is expected for May 1, 2009. The loan documents support a loan of $13,660,000; however, $12,740,000 is the Owner's anticipated final loan amount after resizing for conversion.

Source: Bond Transaction Type: **Bond Premium**

Amount $211,094 Conditions:

Comments:

The Owner negotiated a cash consideration of $211,094 at closing by accepting a lock-out period beyond 10 years on the ability to call the bonds at par. The premium obtained by the Owner was calculated on $10,560,000 of the bonds at a 1.999% premium. The documentation submitted for this source was limited to statements from the Owner submitted via email and bond cash flows.

Source: Boston Capital Corporation Type: **Syndication**

Proceeds: $5,978,512 Syndication Rate: 95% Anticipated HTC: $ 629,380

Comments:

The Owner's sources reflect a syndication price remains of $0.95 per tax credit dollar for the original credits as well as the additional credits being requested. The Limited Partnership Agreement does not guarantee the purchase of additional credits, however, and further, does not state the rate at which additional tax credits would be purchased. For this reason, the recommended financing structure reflects only the syndication proceeds specifically committed to in the Limited Partnership Agreement. The credit request at cost certification is $54,890 or 9.6% greater than the credit amount approved at application underwriting, $574,490. However, the cost certification request is only $16,571 greater than the amount of credits used by the syndicator to calculate syndication proceeds $612,809.

Amount: $2,504,603 Type: **Deferred Developer Fees**

Amount: $673,678 Type: **General Partner Contribution**

The amount of the financing gap exceeds the amount of developer fee available, and for that reason, the sources of funds include $673,678 in gap funding from the General Partner. The Owner submitted a signed statement indicating that the General Partner, Summit America Properties XXVI, Inc., will provide the Partnership with gap funding, as necessary. The Owner also submitted unaudited financial statements as of 12/31/08 for Summit Housing Partners, the Owner of the General Partner, indicating sufficient liquidity to cover for the anticipated gap funding. As mentioned previously, the recommended financing structure uses a lower amount of syndication proceeds than the Owner does, which results in a larger gap of $831,087. The Owner has committed to provide all gap financing necessary, and is found to have sufficient liquidity to cover this larger gap in the event that the additional credits are not purchased by the investor.

CONCLUSIONS

Recommended Financing Structure:

As stated above, the proforma analysis results in a debt coverage ratio that falls within the Department's 2008 and 2009 guidelines. This analysis is based on the average current rents at the property. If the rents can be increased to the maximum tax credit rents, the development would still operate at a DCR that falls within the Department's guidelines; however, the Owner does not intend to increase the rents in the near future. Therefore, the Owner's final and certified total development costs, less the permanent loan amount of $12.74M and bond premium of $211K indicates the need for $9,156,793 in gap funds. Based on the final syndication terms a tax credit allocation of $963,969 annually would be required to fill this gap in financing.

As stated above, the investor limited partner has not committed to purchase the additional $16,571 in credits being requested above the amount used to calculate syndication proceeds, $612,809. Therefore, the recommended financing structure assumes that these additional tax credits will not be purchased, which would result in a gap of $831,087 which must be filled by the General Partner. If the additional $16,571 in credits are purchased by the investor limited partner at the original syndication rate, $0.95, the financing gap will be reduced to $673,678. If the additional credits are purchased by the investor limited partner at a lower rate, consistent with current market conditions (assumed by the Underwriter to be $0.70), the financing gap would be approximately $715,090. The Underwriter has found the General Partner to have sufficient liquidity to fund the largest of these three potential amounts of gap financing.

The Owner's final Cost Certification identifies a tax credit request that is higher than the amount originally awarded to this development. Per §49.12(d) of the 2009 QAP, a tax-exempt bond development may request an increase in tax credits if the Department determines that the development will not receive more tax credits than needed for the financial feasibility and viability of the transaction. Based on the cost certification review, it appears that the requested additional credits are supported by the final certified development costs and eligible basis. The requested increase in credit does not exceed 110% of the amount of credits reflected in the Determination Notice, therefore, per the QAP this increase can be approved administratively by the Executive Director. Additionally, per §49.20(i) of the 2009 QAP a Tax-Exempt Bond Credit Increase Request Fee equal to 5% of the amount of the credit increase for one year is required. The Owner has not provided to the Department the required fee, but is required to pay the fee prior to the issuance of IRS Forms 8609.

Although the eligible basis supports the requested credits of $629,380, the Underwriter recommends a lower allocation of $612,809. This is because $612,809 is the annual tax credit allocation used by the investor limited partner to calculate syndication proceeds. The investor limited partner has not committed to purchase any additional tax credits, and the Underwriter does not recommend the allocation of tax credits that will not yield additional tax credit proceeds. However, as stated in the Conditions section of the report, if the Department receives a commitment from Boston Capital for the purchase of the additional tax credits prior to the issuance of IRS Forms 8609, the allocation supported by eligible basis, $629,380 will be recommended.

Tax Credit Allocation Previously Awarded:	$574,490
Tax Credit Allocation Requested by Owner:	$629,380
Tax Credit Allocation Determined by Eligible Basis:	$629,412
Tax Credit Allocation Determined by Gap in Financing:	$963,969
Tax Credit Allocation Used by Limited Partner to Determined Syndication Proceeds:	**$612,809**

The allocation used by the limited partner to determine syndication proceeds is recommended. An annual allocation of $612,809 results in total equity proceeds of $5,821,103 at a syndication price of $0.95 per tax credit dollar. The Underwriter's recommended financing structure indicates the need for $3,335,690 in additional permanent funds. Deferred developer fees and an additional owner contribution in this amount appear to be repayable by Year 15.

Underwriter:	*Rosalio Banuelos*	Date:	April 2, 2009
Reviewing Underwriter:	*Audrey Martin*	Date:	April 2, 2009
Director of Real Estate Analysis:	*Brent Stewart*	Date:	April 2, 2009

COST CERTIFICATION COMPARATIVE ANALYSIS

Village Park Apartments, Houston, HTC#05629

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Rent Collected	UW Net Rent	CC Net Rent	Rent per Month	Rent per SF	Tnt-Pd Util	WS&T
TC 60%	3	0	1	537	$642	$567	$575	$587	$1,701	$1.06	$55.00	$39.00
MR	1	0	1	537		565	$575	$565	565	1.05	55.00	39.00
TC 60%	110	1	1	672	$687	570	$670	$602	62,721	0.85	85.00	53.00
MR	10	1	1	672		572	$670	$572	5,719	0.85	85.00	53.00
TC 60%	26	1	1	758	$687	586	$670	$602	15,236	0.77	85.00	53.00
MR	2	1	1	758		584	$670	$584	1,167	0.77	85.00	53.00
TC 60%	30	2	1	864	$825	677	$775	$709	20,299	0.78	116.00	64.00
MR	6	2	1	864		680	$775	$680	4,080	0.79	116.00	64.00
TC 60%	26	2	1	869	$825	679	$775	$709	17,649	0.78	116.00	64.00
MR	4	2	1	869		691	$775	$691	2,762	0.79	116.00	64.00
TC 60%	7	2	1	959	$825	682	$775	$709	4,776	0.71	116.00	64.00
MR	1	2	1	959		693	$775	$693	693	0.72	116.00	64.00
TC 60%	53	2	2	1,026	$825	706	$823	$709	37,411	0.69	116.00	64.00
MR	7	2	2	1,026		707	$823	$707	4,947	0.69	116.00	64.00
TC 60%	61	2	2	1,040	$825	699	$823	$709	42,652	0.67	116.00	64.00
MR	11	2	2	1,040		707	$823	$707	7,776	0.68	116.00	64.00
TC 60%	48	3	2	1,150	$953	806	$940	$806	38,676	0.70	147.00	74.00
MR	12	3	2	1,150		816	$940	$816	9,795	0.71	147.00	74.00
TOTAL:	418		**AVERAGE:**	895		$667			$278,624	$0.74	$108.89	$61.30

INCOME Total Net Rentable Sq Ft: 374,298				TDHCA	TDHCA-UW	APPLICATION	Cost Certification	COUNTY	IREM REGION	COMPT. REGION
POTENTIAL GROSS RENT				$3,343,488	$3,886,152	$3,494,208	$3,386,688	Harris		6
Secondary Income	Per Unit Per Month:	$15.00		75,240	75,240	75,240	75,240	$15.00	Per Unit Per Month	
Other Support Income: Utility Reimbursement				0		316,008	486,552	$97.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$3,418,728	$3,961,392	$3,885,456	$3,948,480			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(256,405)	(297,104)	(271,980)	(296,136)	-7.50%	of Potential Gross Income	
Employee or Other Non-Rental Units or Concessions							(120,000)			
EFFECTIVE GROSS INCOME				$3,162,323	$3,664,288	$3,613,476	$3,532,344			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT					PER SQ FT	PER UNIT	% OF EGI
General & Administrative	2.79%	$211	0.24	$88,112	$135,600	$46,000	$36,000	$0.10	$86	1.02%
Management	4.00%	303	0.34	126,493	136,190	145,573	129,000	0.34	309	3.65%
Payroll & Payroll Tax	13.93%	1,054	1.18	440,534	421,086	328,000	437,574	1.17	1,047	12.39%
Repairs & Maintenance	4.79%	362	0.40	151,320	161,028	88,980	108,600	0.29	260	3.07%
Utilities	14.11%	1,068	1.19	446,322	616,767	891,154	831,000	2.22	1,988	23.53%
Water, Sewer, & Trash	8.62%	652	0.73	272,640	242,047	277,193	294,000	0.79	703	8.32%
Property Insurance	3.63%	274	0.31	114,687	93,575	94,050	94,000	0.25	225	2.66%
Property Tax 2.664583	5.81%	440	0.49	183,856	324,344	272,948	263,750	0.70	631	7.47%
Reserve for Replacements	3.97%	300	0.34	125,400	125,400	125,700	125,400	0.34	300	3.55%
TDHCA Compliance Fees	0.46%	35	0.04	14,560	122,880	106,160	17,000	0.05	41	0.48%
Other: Security	1.52%	115	0.13	48,000			48,000	0.13	115	1.36%
TOTAL EXPENSES	63.62%	$4,813	$5.38	$2,011,923	$2,378,917	$2,375,758	$2,384,324	$6.37	$5,704	67.50%
NET OPERATING INC	36.38%	$2,752	$3.07	$1,150,400	$1,285,371	$1,237,718	$1,148,020	$3.07	$2,746	32.50%
DEBT SERVICE										
Greystone Servicing Corporation	29.30%	$2,216	$2.48	$926,445	$994,406	$998,647	$926,445	$2.48	$2,216	26.23%
Bond Premium	0.00%	$0	$0.00	0				$0.00	$0	0.00%
Additional Financing	0.00%	$0	$0.00	0				$0.00	$0	0.00%
NET CASH FLOW	7.08%	$536	$0.60	$223,956	$290,965	$239,071	$221,575	$0.59	$530	6.27%
AGGREGATE DEBT COVERAGE RATIO				1.24	1.29	1.24	1.24			
RECOMMENDED DEBT COVERAGE RATIO				1.24						

CONSTRUCTION COST

Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	TDHCA-UW	APPLICATION	Cost Certification	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		62.49%	$33,703	$37.64	$14,087,960	$14,111,000	$14,111,000	$14,087,960	$37.64	33703.25359	63.72%
Off-Sites		0.00%	0	0.00	0			0	0.00	0	0.00%
Sitework		2.60%	1,404	1.57	586,720	487,000	1,207,342	586,720	1.57	1,404	2.65%
Direct Construction		14.83%	8,000	8.93	3,343,936	2,415,070	1,694,708	3,343,936	8.93	8,000	15.13%
Contingency						165,417	165,417		0.00	0	0.00%
Contractor's Fees	12.09%	2.11%	1,137	1.27	475,108	406,285	406,285	475,108	1.27	1,137	2.15%
Indirect Construction		0.55%	298	0.33	124,717	104,210	104,210	124,717	0.33	298	0.56%
Ineligible Costs		4.37%	2,356	2.63	984,843	1,011,588	1,011,588	984,843	2.63	2,356	4.45%
Developer's Fees	14.78%	11.11%	5,992	6.69	2,504,603	2,356,924	2,400,613	2,504,603	6.69	5,992	11.33%
Interim Financing		0.00%	0	0.00	0	109,843	109,843	0	0.00	0	0.00%
Reserves		1.94%	1,046	1.17	437,319	498,142		0	0.00	0	0.00%
TOTAL COST		100.00%	$53,936	$60.23	$22,545,206	$21,665,479	$21,211,006	$22,107,887	$59.06	$52,890	100.00%
Construction Cost Recap		*19.54%*	***$10,540***	***$11.77***	***$4,405,764***	***$3,473,772***	***$3,473,752***	***$4,405,764***	***$11.77***	***$10,540***	*19.93%*

SOURCES OF FUNDS								RECOMMENDED	
Greystone Servicing Corporation	56.51%	$30,478	$34.04	$12,740,000	$13,660,000	$13,660,000	$12,740,000	$12,740,000	Developer Fee Available
Bond Premium	0.94%	$505	$0.56	211,094			211,094	211,094	$2,504,603
HTC Syndication Proceeds	26.52%	$14,303	$15.97	5,978,512	5,368,683	5,342,224	5,978,512	5,821,103	% of Dev. Fee Deferred
Deferred Developer Fees	11.11%	$5,992	$6.69	2,504,603	2,208,782	2,208,782	2,504,603	2,504,603	100%
General Partner Contribution	0.00%	$0	$0.00	0	0	0	673,678	831,087	
Additional (Excess) Funds Req'd	4.93%	$2,658	$2.97	1,110,997	428,014	0	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$22,545,206	$21,665,479	$21,211,006	$22,107,887	$22,107,887	$4,741,890

COST CERTIFICATION COMPARATIVE ANALYSIS (continued)

Village Park Apartments, Houston, HTC#05629

DIRECT CONSTRUCTION COST ESTIMATE

Marshall & Swift Residential Cost Handbook
Average Quality Multiple Residence Basis

CATEGORY	FACTOR	UNITS/SQ FT	PER SF	AMOUNT
Base Cost				$0
Adjustments				
Exterior Wall Finish			$0.00	$0
Elderly			0.00	0
9-Ft. Ceilings			0.00	0
Roofing			0.00	0
Subfloor			(2.47)	(924,516)
Floor Cover			2.43	909,544
Breezeways/Balconies	$20.33		0.00	0
Plumbing Fixtures	$805		0.00	0
Rough-ins	$400		0.00	0
Built-In Appliances	$1,850	418	2.07	773,300
Exterior Stairs	$1,800		0.00	0
Enclosed Corridors	($9.92)		0.00	0
Heating/Cooling			1.90	711,166
Garages/Carports			0.00	0
Comm &/or Aux Bldgs			0.00	0
Other: fire sprinkler	$1.95	374,298	1.95	729,881
SUBTOTAL			5.88	2,199,375
Current Cost Multiplier	0.98		(0.12)	(43,988)
Local Multiplier			(5.88)	(2,199,375)
TOTAL DIRECT CONSTRUCTION COSTS			($0.12)	($43,988)
Plans, specs, survy, bld prm	3.90%		$0.00	$1,716
Interim Construction Interest	3.38%		0.00	1,485
Contractor's OH & Profit	11.50%		0.01	5,059
NET DIRECT CONSTRUCTION COSTS			($0.10)	($35,729)

PAYMENT COMPUTATION

Primary	$12,740,000	Amort	360
Int Rate	6.10%	DCR	1.24
Secondary	$211,094	Amort	
Int Rate		Subtotal DCR	1.24
Additional	$5,978,512	Amort	
Int Rate		Aggregate DCR	1.24

RECOMMENDED FINANCING STRUCTURE:

Primary Debt Service	$926,445
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$223,956

Primary	$12,740,000	Amort	360
Int Rate	6.10%	DCR	1.24
Secondary	$211,094	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24
Additional	$5,978,512	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE

INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$3,343,488	$3,443,793	$3,547,106	$3,653,520	$3,763,125	$4,362,494	$5,057,326	$5,862,827	$7,879,149
Secondary Income	75,240	77,497	79,822	82,217	84,683	98,171	113,807	131,934	177,308
Other Support Income: Utility R	0	0	0	0	0	0	0	0	0
POTENTIAL GROSS INCOME	3,418,728	3,521,290	3,626,929	3,735,736	3,847,809	4,460,665	5,171,133	5,994,760	8,056,457
Vacancy & Collection Loss	(256,405)	(264,097)	(272,020)	(280,180)	(288,586)	(334,550)	(387,835)	(449,607)	(604,234)
Employee or Other Non-Rental	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$3,162,323	$3,257,193	$3,354,909	$3,455,556	$3,559,223	$4,126,115	$4,783,298	$5,545,153	$7,452,222
EXPENSES at 4.00%									
General & Administrative	$88,112	$91,636	$95,302	$99,114	$103,078	$125,410	$152,581	$185,638	$274,789
Management	126,493	130,288	134,196	138,222	142,369	165,045	191,332	221,806	298,089
Payroll & Payroll Tax	440,534	458,155	476,481	495,541	515,362	627,017	762,862	928,138	1,373,871
Repairs & Maintenance	151,320	157,372	163,667	170,214	177,023	215,375	262,037	318,808	471,913
Utilities	446,322	464,175	482,742	502,051	522,133	635,255	772,885	940,333	1,391,922
Water, Sewer & Trash	272,640	283,546	294,888	306,683	318,951	388,052	472,125	574,412	850,270
Insurance	114,687	119,274	124,045	129,007	134,167	163,235	198,600	241,628	357,668
Property Tax	183,856	191,210	198,859	206,813	215,086	261,685	318,379	387,357	573,383
Reserve for Replacements	125,400	130,416	135,633	141,058	146,700	178,483	217,152	264,199	391,079
Other	62,560	65,062	67,665	70,371	73,186	89,042	108,334	131,804	195,103
TOTAL EXPENSES	$2,011,923	$2,091,135	$2,173,478	$2,259,075	$2,348,055	$2,848,599	$3,456,287	$4,194,123	$6,178,088
NET OPERATING INCOME	$1,150,400	$1,166,058	$1,181,431	$1,196,482	$1,211,167	$1,277,515	$1,327,011	$1,351,030	$1,274,134
DEBT SERVICE									
First Lien Financing	$926,445	$926,445	$926,445	$926,445	$926,445	$926,445	$926,445	$926,445	$926,445
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$223,956	$239,613	$254,987	$270,037	$284,723	$351,071	$400,566	$424,586	$347,689
DEBT COVERAGE RATIO	1.24	1.26	1.28	1.29	1.31	1.38	1.43	1.46	1.38

HTC ALLOCATION ANALYSIS -Village Park Apartments, Houston, HTC#05629

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
Acquisition Cost						
Purchase of land	$1,675,000	$1,675,000				
Purchase of buildings	$12,412,960	$12,412,960	$12,412,960	$12,412,960		
Off-Site Improvements						
Sitework	$586,720	$586,720			$586,720	$586,720
Construction Hard Costs	$3,343,936	$3,343,936			$3,343,936	$3,343,936
Contractor Fees	$475,108	$475,108			$475,108	$475,108
Contingencies						
Eligible Indirect Fees	$124,717	$124,717	$34,825	$34,825	$89,892	$89,892
Eligible Financing Fees						
All Ineligible Costs	$984,843	$984,843				
Developer Fees						
Developer Fees	$2,504,603	$2,504,603	$1,867,168	$1,838,680	$637,435	$665,923
Development Reserves		$437,319				
TOTAL DEVELOPMENT COSTS	$22,107,887	$22,545,206	$14,314,953	$14,286,465	$5,133,091	$5,161,579

Deduct from Basis:					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
TOTAL ELIGIBLE BASIS		$14,314,953	$14,286,465	$5,133,091	$5,161,579
High Cost Area Adjustment				130%	130%
TOTAL ADJUSTED BASIS		$14,314,953	$14,286,465	$6,673,018	$6,710,052
Applicable Fraction		86.42%	86.42%	86.42%	86.42%
TOTAL QUALIFIED BASIS		$12,371,582	$12,346,961	$5,767,102	$5,799,108
Applicable Percentage		3.47%	3.47%	3.47%	3.47%
TOTAL AMOUNT OF TAX CREDITS		$429,294	$428,440	$200,118	$201,229
Syndication Proceeds	**0.9499**	**$4,077,884**	**$4,069,769**	**$1,900,935**	**$1,911,485**
Total Tax Credits (Eligible Basis Method)				**$629,412**	**$629,669**
Syndication Proceeds				**$5,978,819**	**$5,981,253**
Approved Tax Credits				**$574,490**	
Syndication Proceeds				**$5,457,109**	
Cost Certification Request				**$629,380**	
Syndication Proceeds				**$5,978,512**	
Gap of Syndication Proceeds Needed				**$9,156,793**	
Total Tax Credits (Gap Method)				**$963,969**	
Tax Credits to be Purchased by Limted Partner				**$612,809**	
Syndication Proceeds				**$5,821,103**	
Reconciled Tax Credits				**$612,809**	
Syndication Proceeds				**$5,821,103**	

TEXAS DEPARTMENT of HOUSING and COMMUNITY AFFAIRS

MULTIFAMILY UNDERWRITING ANALYSIS

DATE: February 6, 2006 **PROGRAM:** 4% HTC/MFB **FILE NUMBER:** 05629

DEVELOPMENT NAME

Village Park Apartments

APPLICANT

Name:	Village Park Apartments Partners, Ltd.	**Type:**	For-profit		
Address:	105 Tallapoosa Street, Suite 300	**City:**	Montgomery	**State:**	AL
Zip:	36104 **Contact:** Hunter McKenzie	**Phone:**	(334) 954-4458	**Fax:**	(334) 954-4496

PRINCIPALS of the APPLICANT/ KEY PARTICIPANTS

Name:	Summit America Properties, Inc	**(%):**	0.01	**Title:**	Managing General Partner
Name:	Realty Partners, LLC	**(%):**	N/A	**Title:**	100% member of MGP/Guarantor
Name:	WDH Holdings, LLC	**(%):**	N/A	**Title:**	78% member of Realty Partners
Name:	Summit Asset Management, LLC	**(%):**	N/A	**Title:**	Developer
Name:	Summit Construction, LLC	**(%):**	N/A	**Title:**	Consultant
Name:	Summit America, LLC	**(%):**	N/A	**Title:**	Guarantor
Name:	W Daniel Hughes, Jr	**(%):**	N/A	**Title:**	Guarantor/Owner of WDH Holdings

PROPERTY LOCATION

Location:	8701 Hammerly Boulevard	☐ **QCT**	☒ **DDA**		
City:	Houston	**County:**	Harris	**Zip:**	77080

REQUEST

Amount	Interest Rate	Amortization	Term
1) $574,490	N/A	N/A	N/A
2) $13,660,000	6.10%	30 yrs	18 yrs

Other Requested Terms: 1) Annual ten-year allocation of housing tax credits
2) Tax-exempt mortgage revenue bonds

Proposed Use of Funds: Acquisition/Rehab **Property Type:** Multifamily

Special Purpose (s): General population

RECOMMENDATION

☒ RECOMMEND APPROVAL OF ISSUANCE OF $13,660,000 IN TAX-EXEMPT MORTGAGE REVENUE BONDS WITH A FIXED INTEREST RATE OF 6.11% WITH A 30-YEAR AMORTIZATION PERIOD, SUBJECT TO CONDITIONS.

☒ RECOMMEND APPROVAL OF A HOUSING TAX CREDIT ALLOCATION NOT TO EXCEED $574,490 ANNUALLY FOR TEN YEARS, SUBJECT TO CONDITIONS.

CONDITIONS

1. Receipt, review and acceptance by cost certification indicating the Asbestos O&M Program will be

continued;

2. Receipt, review and acceptance by closing of the construction loan of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42;
3. Should the terms and rates of the proposed debt or syndication change, the transaction should be re-evaluated and an adjustment to the tax credit amount may be warranted.

REVIEW of PREVIOUS UNDERWRITING REPORTS

No previous reports.

DEVELOPMENT SPECIFICATIONS

IMPROVEMENTS

Total Units: 418 **# Rental Buildings** 29 **# Non-Res. Buildings** 4 **# of Floors** 3 **Age:** 34 yrs **Vacant:** 30 at 12/ 01/ 2005

Net Rentable SF: 374,298 **Av Un SF:** 895 **Common Area SF:** 6,134 **Gross Bldg SF:** 380,432

STRUCTURAL MATERIALS

The structures will be wood frame on a slab on grade. According to the plans provided in the application the exteriors will be comprised as follows: 10% brick veneer/90% wood siding. The interior wall surfaces will be drywall and the pitched roofs will be finished with composition roll.

APPLIANCES AND INTERIOR FEATURES

The interior flooring will be a combination of carpeting & vinyl. Each unit will include: range & oven, hood & fan, refrigerator, tile tub/shower surround, washer and dryer connections, laminated counter tops, central boiler, central heat and air conditioning, and 8-foot ceilings.

ONSITE AMENITIES

According to the Property Condition Assessment, the Subject property's community amenities include perimeter fencing with controlled gate access, two central laundry rooms, volleyball court, playground, central mail kiosk, and a swimming pool. An existing building will also be converted to a community center during the renovation.

Uncovered Parking: 627 spaces **Carports:** 0 spaces **Garages:** 0 spaces

PROPOSAL and DEVELOPMENT PLAN DESCRIPTION

Description: Village Park is a 33-unit per acre acquisition and rehabilitation development proposed for conversion to mixed-income housing located in the northwestern section of the City of Houston. The development was built in 1972 and is comprised of 17 three-story and 10 two-story apartment buildings, One leasing office, and two common laundry rooms. It should be noted, the Property Condition Assessment indicates the development was rehabbed in 1995 through 1996. This issue is discussed in more detail in the acquisition value paragraph of the construction cost estimate evaluation section and the conclusion to the financing structure analysis section (below).

Development Plan: The buildings are currently 93% occupied and in a good to fair state. The Property Condition Assessment (PCA) noted deteriorated metal stair components and support columns at a majority of staircases and the wood railing system needs isolated repairs due to normal weathering and light damage from tenants. The soffits were observed to be in good to fair condition with instances of minor damage at numerous buildings. Sealant is needed at gaps and cracks in the concrete surfaces of upper level walkways. Property management reported no current or persistent roof leaks. The flat roof areas were reportedly replaced in 1997 and a protective silver coating was applied to all roofs in 2004. There are two roofs (building #5 and #22) that require replacement due to large areas of standing water. The apartment buildings also feature smaller areas of sloped roofing with asphalt shingles. Instances of peeling and damaged shingles were observed at several locations and isolated damages to gypsum soffits were observed at numerous locations. Repairs and repaint of building exteriors are needed.

The PCA also states, no down (i.e. uninhabitable) units were reported or observed at the Property. Repair of

heavily cracked lightweight concrete flooring is needed in unit #2235. According to Mr. Daniel Pereira, Maintenance Manager, many of the package HVAC are original, but fan motors, coils, etc. have been replaced as needed. Forty-six of the original units should be replaced with new split system components. Wiring that runs from the circuit breakers to the light switches and outlets throughout buildings #1 through #22 at the Property was observed to be aluminum. Apartments in remaining buildings were noted to have copper branch wiring. In order to prevent a potential electrical hazard, property management should install copper/aluminum rated (COALR) receptacles (switches and outlets) in the apartment units with aluminum wiring. Though not required by code at the time of construction, Property management may wish to install GFI outlets near kitchen and bathroom sinks.

Finally the PCA indicates several areas of deteriorated asphalt pavement were observed in driveways throughout the site. Based on current conditions of the asphalt surfaces, minor repair, seal coat application and restriping is recommended at this time. Trip hazards due to damaged or settled sidewalks should be repaired. Steps into the existing pool do not feature hand rails. Although not required, property management may consider installing hand rails at pool steps as a general accessibility improvement. The chain link fence at the east site perimeter is damaged. REA noted no deficiencies with respect to lighting at the Property. Trimming of trees contacting building exteriors is needed at this time. Isolated cracks in the concrete deck surrounding the pool area should be sealed. Accessible compliant hardware should be installed at the leasing office entry door. Total cost for immediate repairs is $250,000.

In response to a request, the Applicant provided a revised PCA providing a breakdown of costs for rehabilitation work proposed by the Applicant. Proposed work includes: asphalt overlay over existing parking; repair of damaged pilasters at entrance; repair of eroded areas and new landscaping; installation of a surveillance system; repair to chain link fencing; repair of the playground; testing of the galvanized piping; addition of accessible parking areas; repair and repaint of exterior components; repair of damaged gypsum soffits; tree trimming; repair and repaint of miscellaneous wood trim, columns, rails, and exterior doors; installation of vinyl at building walkways and balcony areas; repair of asphalt shingles and other roofing; new building signage; repair of stairs and landings; repair of concrete walks; installation of miscellaneous column supports at connecting walks between buildings; replacement of aluminum windows; replacement of appliances; replacement of cabinetry and countertops; installation of new smoke detectors; provision of GFI outlets in kitchens and bathrooms; CO/ALR outlets to be installed in units with aluminum wiring; replacement of HVAC; retrofit of 5% of unit for accessibility; renovation of clubhouse interior. The total budget reviewed and confirmed by the PCA provider is $2,902,070.

According to a letter dated December 12, 2005, "Summit Asset Management, LLC does not intend to relocate or displace any residents during the rehabilitation of Village Park Apartments. A rolling rehabilitation is performed around the residents to ensure that their lifestyle does not become disrupted."

SITE ISSUES

SITE DESCRIPTION

Size: 12.7052 acres 553,439 square feet **Flood Zone Designation:** Zone X

Zoning: No zoning in Houston

SITE and NEIGHBORHOOD CHARACTERISTICS

Location: The development is located at 8701 Hammerly Boulevard in Houston. The Subject has frontage along Hammerly Boulevard, which is a heavily traveled, four-lane residential street. The Subject also has frontage along Ojeman Road, which is a lightly traveled, two-lane residential street running along the eastern property boundary.

Adjacent Land Uses:

- **North:** Hammerly Boulevard followed by Cedar Brook Elementary School;
- **South:** Storage facility;
- **East:** Ojeman Road followed by commercial (Lanehart Electric Contractors), vacant land, and a small office building; and
- **West:** Hammerly Walk Apartments.

Site Access: Primary access to the site is via Hammerly Boulevard, which is a four-lane heavily traveled thoroughfare through the neighborhood. Access is also provided at two locations along Ojeman Road, a lightly traveled two-lane residential street. The Subject is also located within 0.1 mile of Bingle Road, which is a major north-south roadway in this area that connects with Interstate 10 and U.S. Highway 290. Interstate 10 is approximately two miles south of the Subject, and U.S. Highway 290 is approximately 2.5 miles to the northeast.

Public Transportation: "The Metropolitan Transit Authority of Harris County (METRO) provides public bus transportation to the City of Houston. Metro operates 130 routes, has 17 transit centers and 27 park and ride lots. The nearest bus stop is located in directly in front of the Subject property on Hammerly Boulevard (Route #58)" (p. 24, Market Study).

Shopping & Services: The site is within two miles of major grocery/pharmacies, shopping centers, and a variety of other retail establishments and restaurants. Schools, churches, and hospitals and health care facilities are located within a short driving distance from the site.

Site Inspection Findings: TDHCA staff performed a site inspection on January 12, 2006 and found the location to be acceptable for the proposed development.

HIGHLIGHTS of SOILS & HAZARDOUS MATERIALS REPORT(S)

A Phase I Environmental Site Assessment report dated December 12, 2005 was prepared by Real Estate Advisory, LLC (REA) and contained the following findings and recommendations:

Findings:

- **Asbestos-Containing Materials (ACM): "**An Asbestos Operations and Maintenance (O&M) Plan is currently in place at the Property. The O&M plan was initiated based on the findings of an Asbestos Survey conducted at the Property dated September 28, 2004. The O&M discussed findings from the Asbestos Survey and identified wall texture material, ceiling texture material, and floor tile mastic as asbestos-containing materials (ACM)" (p. iii).
- **Lead-Based Paint (LBP): "**Sampling conducted by REA did not identify LBP at the Property. Therefore, REA considers the potential for significant applications of LBP at the Property to be unlikely" (p. 21).
- **Radon: "**Detected levels of radon gas were below the USEPA action level of 4.0 pCi/L. Therefore, radon is not considered an environmental concern at the Property" (p. 22).
- **Floodplain:** "REA reviewed a National Flood Insurance Program (NFIP) Flood Insurance Rate Map (FIRM) for Harris County, Texas and Incorporated Areas (Community 48201C, Panel 0645J, dated November 6, 1996). According to the FIRM, the Property is located in unshaded Zone X. Unshaded Zone X is identified as areas outside the 500-year flood zone; such areas are not considered flood hazard areas" (p. 8).

Recommendations: "REA did not locate recognized environmental conditions that would impose a liability, restrict the use, limit the development, or impact the value or marketability of the Property…REA recommends continuing the Asbestos O&M Program. No further environmental investigation is recommended at this time" (p. iv). Receipt, review and acceptance at cost certification indicating the Asbestos O&M Program will be continued is a condition of this report.

POPULATIONS TARGETED

Income Set-Aside: The Applicant has elected the 40% at 60% or less of area median gross income (AMGI) set-aside. The Village Park was included in the August 15 collapse and the 2005 non-traditional carryforward. Three-hundred and fifty-five (355) units (85%) will be reserved for households earning 60% or less of AMGI, and the remaining 63 units will be offered at market rents.

MAXIMUM ELIGIBLE INCOMES						
	1 Person	**2 Persons**	**3 Persons**	**4 Persons**	**5 Persons**	**6 Persons**
60% of AMI	$25,620	$29,280	$32,940	$36,600	$39,540	$42,480

MARKET HIGHLIGHTS

A market feasibility study with an effective date of September 28, 2005 was prepared by Novogradac and Company ("Market Analyst") and highlighted the following findings:

Definition of Primary Market Area (PMA): "For the purpose of this Study, the Subject's Primary Market Area (PMA) is defined as two zip code areas: 77080 and 77055. This area encompasses approximately 17 square miles and is bounded by Clay Road to the north, Hempstead Road to the east, Interstate 10 to the south and Gessner Road to the west, as depicted on the following page. This area was defined based on conversations with local property managers (including the Subject's), city officials, natural physical barriers and overall similarities in market characteristics observed during the field investigation. It is assumed 100 percent of the income qualified demand for the Subject will be generated from within the PMA" (p. 12).

Population: The estimated 2004 population of the PMA was 92,626 and is expected to increase to approximately 96,860 by 2009. Within the primary market area there were estimated to be 29,606 households in 2004.

Total Primary Market Demand for Rental Units: "The PMA has an older residential base with approximately 80 percent of the housing stock constructed prior to 1980. The development pattern in the PMA suggests a slowing trend, with less than nine percent of the housing stock being built since 1990. The Subject was originally constructed in 1972. However, since the Subject will offer above-average condition and good curb appeal after renovation, it should have a competitive advantage in terms of age/condition relative to most of the properties in the PMA" (p. 27).

The Market Analyst used an income band of $21,120 to $39,540. "Minimum income levels were calculated based on the assumption that lower income families should pay no more than 35 percent of their income to gross rent" (p. 78).

The Market Analyst calculated projected renter household demand by bedroom type. The total number of households in the PMA in 2004 were categorized as one- to +seven-person households, a renter percentage specific to the household size was applied, and a standard income-eligible percentage of 26.29% was also applied, as follows:

Type	No. Households	Renters	Inc-Eligible	Total
1 person	6,582	56.37%	26.29%	976
2 persons	7,846	41.72%	26.29%	861
3 persons	4,828	59.79%	26.29%	759
4 persons	4,488	63.76%	26.29%	752
5 persons	2,863	69.98%	26.29%	527
6 persons	1,493	73.34%	26.29%	288
+7 persons	1,507	72.02%	26.29%	285
Total	**29,606**			**4,448**

Based on this analysis and the current distribution of households by number of persons at the subject development, a total demand for 3,438 affordable units was calculated resulting in a capture rate of 3.08% for the development's three studio units; 13.23% for the 126 one-bedroom units; 14.09% for the 175 two-bedroom units; and 4.45% for the 51 three-bedroom units (p. 80).

The Market Analyst also provided a demand analysis based on overall turnover and household growth demand in the PMA. The Market Analyst assumed income-qualified households at 26.3% of total households; renter households at 57.5%; and percentage of rent-overburdened households (turnover) at 27.5% (p. 81).

PRIMARY MARKET DEMAND SUMMARY				
	Market Analyst		Underwriter	
Type of Demand	Units of Demand	% of Total Demand	Units of Demand	% of Total Demand
Household Growth	45	4%	32	3%
Resident Turnover	1,233	96%	1,237	97%
TOTAL ANNUAL DEMAND	**1,278**	**100%**	**1,269**	**100%**

Ref: p. 81

Inclusive Capture Rate: "Based on conversations with the developer and the property manager, it is estimated that approximately 80 percent of the existing tenants will likely be income qualified under the LIHTC Program after converting from a market rate property" (p. 77). "To be conservative, Novogradac has estimated the inclusive capture rate assuming 50 percent of the Subject's LIHTC units will be unoccupied upon completion of the renovation. Although Windcrest on Westview is not currently maintaining an occupancy rate of 90 percent, we did not deduct these 154 units from the demand because the property is an existing LIHTC property that has previously reached stabilization of at least 90 percent. No new LIHTC properties are planned for the PMA. Thus, there are an estimated 178 unstabilized LIHTC units in the PMA, including the Subject property. Dividing the 178 unstabilized LIHTC units into the total demand of 1,278 income qualified renter households indicates an inclusive capture rate of approximately 13.9 percent" (p. 81).

The Underwriter calculated an inclusive capture rate of 28% based upon a supply of unstabilized comparable affordable units of 355 (the total number of subject affordable units proposed) divided by a demand for 1,269 affordable units in the PMA. However, the subject development is currently 93% occupied, and it is likely the existing tenants will choose to remain at the property. Therefore, an inclusive capture rate calculation is not a meaningful tool for determining the feasibility of the subject development.

Market Rent Comparables: "To evaluate the competitive position of the Subject, a total of seven comparable LIHTC and market-rate properties were screened to ascertain whether these properties would compete directly with the Subject for prospective low-income tenants. Each of these properties is located within two miles of the Subject. Properties that were deemed most comparable were also surveyed in depth for information on unit mix, size, absorption (if new), unit features and project/unit amenities tenant profiles, rental and utility structure, construction information and market trends in general" (p. 32).

RENT ANALYSIS (net tenant-paid rents)					
Unit Type (% AMI)	Proposed	Program Max	Differential	Est. Market	Differential
Efficiency (60%)	$570	$640	-$70	$575	-$5
Efficiency (MR)	$570	N/A		$575	-$5
1-BR 672 SF (60%)	$586	$686	-$100	$670	-$84
1-BR 672 SF (MR)	$586	N/A		$670	-$84
1-BR 758 SF (60%)	$592	$686	-$94	$670	-$78
1-BR 758 SF (MR)	$592	N/A		$670	-$78
2-BR/1BA 864 SF (60%)	$690	$823	-$133	$775	-$85
2- BR/1BA 864 SF (MR)	$690	N/A		$775	-$85
2-BR/1BA 869 SF (60%)	$696	$823	-$127	$775	-$79
2- BR/1BA 969 SF (MR)	$696	N/A		$775	-$79
2-BR/1BA 959 SF (60%)	$693	$823	-$130	$775	-$82
2- BR/1BA 959 SF (MR)	$693	N/A		$775	-$82
2-BR/2BA 1,026 SF (60%)	$750	$823	-$73	$850	-$100
2- BR/2BA 1,026 SF (MR)	$750	N/A		$850	-$100
2-BR/2BA 1,040 SF (60%)	$747	$823	-$76	$850	-$103
2- BR/2BA 1,040 SF (MR)	$747	N/A		$850	-$103
3-Bedroom (60%)	$866	$951	-$85	$940	-$74
3-Bedroom (MR)	$866	N/A		$940	-$74

(NOTE: Differentials are amount of difference between proposed rents and program limits and average market rents, e.g., proposed rent =$500, program max =$600, differential = -$100)

Primary Market Occupancy Rates: "The vacancy rate for the comparable properties range from zero to 14.1 percent, with the overall weighted average of 6.2 percent. The average vacancy rate of the two comparable LIHTC properties is 4.4 percent. The closest LIHTC property is reporting 0.7 percent vacancy and the two closest market rate properties are reporting an average vacancy rate of approximately 8.8 percent. The Subject property is currently operating at approximately 6.0 percent vacancy as a market rate property, which appears consistent with the overall average of the comparable properties" (p. 39).

Absorption Projections: "The three recently constructed LIHTC properties reported absorption rates ranging from 12 to 33 units per month, with an average of approximately 19 units per month. The two LIHTC properties that were acquired and rehabilitated experienced considerably higher absorption rates than new construction because most of the previous tenants remained in place during and after conversion to LIHTC. The Subject property will likely experience an absorption rate that is more comparable to Peninsula Apartments and Yale Village since the developer estimates that approximately 80 percent of the existing tenant base at the Subject will be income qualified once the property converts to LIHTC. After renovation, the existing tenant base at the Subject will benefit from improvements to the site, exterior finishes, unit appliances, a new community center and rents that are below achievable market rents. Thus, if we conservatively assume an absorption rate of 60 units per month overall, the absorption period is estimated to be approximately seven months to reach stabilization of 95 percent occupancy" (p. 38).

Known Planned Development: "We spoke to Ms. Renissa Montalvo, a planner with the City of Houston Planning Department. According to a record search done by Ms. Montalvo, there are no planned multifamily developments in the general area of the Subject" (p. 29).

Other Relevant Information: "At this time, we cannot know how many people displaced by Hurricane Katrina or Rita will become permanent residents of a particular community. Based on the results of this survey, less than one percent of the tenants at the comparable properties are Hurricane Katrina or Rita evacuees. Thus, it appears to have a negligible impact on the demand for housing in this area. We have researched numerous articles and discussed with numerous participants this issue. However, there is no consensus on the long-term impact on demand in this region" (p. 37).

Market Study Analysis/Conclusions: The Underwriter found the market study provided sufficient information on which to base a funding recommendation.

OPERATING PROFORMA ANALYSIS

Income: The Applicant calculated tenant-paid rents by subtracting the current utility allowance for tenant-paid electric costs from gross rents that are inconsistent with program gross rent limits. Application materials indicate tenants are currently responsible for no utility expenses. Although the units are not individually metered for electric usage and there is no plan to add individual meters, the Applicant plans to charge both LIHTC and market rate unit tenants a pass-through utility cost capped at the utility allowance for electric costs. It should be noted the development's water is heated through a central boiler system. The pass-through payments were included in the Applicant's proforma as a secondary source of income.

Section 1.32(d)(1)(A)(ii) of the underwriting rules and guidelines state units must be individually metered for utility costs to be paid by the tenant. Based on this guideline, the Underwriter has calculated potential gross rent by assuming no utility allowance. In addition, the tenant-paid rent assumptions were limited to the lesser of the gross program rent limit and the market rents indicated in the submitted Market Study. If the Applicant revises rehabilitation plans to include installation of individual unit meters for utility costs, review of the conclusions of this analysis by the Underwriter will be required.

Secondary income from sources other than utility reimbursement meets current underwriting guidelines. The Applicant has assumed a vacancy and collection loss at 7.0% that is slightly less than the underwriting guideline of 7.5%. Despite differences in tenant-paid rent calculations and vacancy loss assumptions, the Applicant's effective gross income is within 5% of the Underwriter's estimate.

Expenses: The Applicant's total annual operating expense of $5,684 per unit is within 5% of the Underwriter's estimate of $5,691. The Underwriter calculated individual line item expenses based on TDHCA regional database information for developments of similar size, IREM database information, and the development's operating history. Several of the Applicant's line-item expenses are inconsistent with the

Underwriter's estimates, including: general and administrative ($90K lower); payroll ($93K lower); repair and maintenance ($72K lower); and utilities ($274K higher). The Applicant also failed to include compliance fees at $40 per unit. It should be noted, the underwriting minimum guideline for rehabilitation developments of $300 per unit per year for replacement reserve appears to be adequate to meet the expected repairs estimated by the Property Condition providers at $3.3M over the 30-year proforma.

Conclusion: The Applicant's effective gross income, total operating expense, and net operating income are each within 5% of the Underwriter's estimate. Therefore, the Applicant's Year 1 proforma will be used to determine the development's debt service capacity and long term feasibility. It should be noted, although the Applicant has requested a bond rate of 6.10%, the permanent lender's underwriting rate of 6.11% was used to estimate debt service in this analysis. Both the Underwriter's and the Applicant's estimates indicate the committed financing structure results in an initial debt coverage ratio (DCR) that is within the Department's DCR guideline of 1.10 to 1.30.

ACQUISITION VALUATION INFORMATION

APPRAISED VALUE

Land Only: 12.7051 acres	$1,675,000	**Date of Valuation:**	09/ 28/ 2005
Existing Building(s): "as is"	$12,425,000	**Date of Valuation:**	09/ 28/ 2005
Total Development: "as is"	$14,100,000	**Date of Valuation:**	09/ 28/ 2005

Appraiser: Novogradac & Company **City:** Austin **Phone:** (512) 340-0420

APPRAISAL ANALYSIS/CONCLUSIONS

Highest and Best Use: The Appraiser has assumed a highest and best use as vacant of construction of a multifamily development with financial subsidies such as tax credits, favorable financing or some other gap subsidy and a highest and best use as improved of rehabilitation of the Subject using tax credit equity, favorable financing or some other gap subsidy to fund needed renovations, which will extend the physical and economic life of the improvements.

Cost Approach: "The cost approach consists of a summation of land value (as though vacant) and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility. This valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property.

To arrive at an estimated land value for the Subject site, we attempted to analyze actual sales of comparable sites in the competitive area. Even though we do not deem the Subject to be in a speculative market, a sale history has been provided where pertinent. The adjusted sales indicate a range from $2,165 to $5,518 per unit, and an average of $3,987 per unit. All of the comparable land sales have received approximately equivalent weight in the overall value conclusion. Thus, the estimated value for the Subject property's land is $4,000 per unit, which equates to approximately 12 percent of the current purchase price of $13,700,000. Thus, the indicated fee simple value of the Subject's land (as vacant), via the sales comparison approach, as of September 28, 2005, is: **$1,675,000**."

Income Capitalization Approach: "The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject is an income producing property and this is considered to be the best method of valuation.

In order to estimate the appropriate capitalization rate, we relied upon several methods: Market Extraction Method – Trend Analysis; Market Extraction Method – Comparable Properties; The Korpacz Survey; Band of Investment; and Debt Coverage Formula. We reconciled to an **8.50 percent** capitalization rate for the 'as is' scenario. As a result of our analysis of the Subject, the estimated market value assuming 'as is,' in the fee simple, via the income capitalization approach, as of September 28, 2005 is: **$14,100,000**."

Sales Comparison Approach: "In the sales comparison approach, we estimate the value of a property by

comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach using the EGIM and NOI/unit analysis in valuing the Subject property.

We attempted to identify sales of comparable rental properties in the PMA that were similar to the Subject in terms of age, condition, number of units and amenities before and after completing the proposed renovations. We were successful in identifying six reasonably similar transactions of multifamily properties in this general market area. [The transaction dates range from April 2003 to March 2005 for 256- to 424-unit developments.] The Subject's 'as is' market value assuming market rents, as of September 28, 2005, via the sales comparison approach, is: **$13,500,000**."

Conclusion: "In the final analysis, we considered the influence of the three approaches in relation to one another and in relation to the Subject. In the case of the Subject several components of value can only be valued using either the income or sales comparison approach. As a result of Novogradac's investigation and analysis, it is our opinion that, subject to the limiting conditions and assumptions contained herein, the estimated land value **'**as vacant**'**, of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **$1,675,000** [and] the estimated market value **'**as is**'**, of the fee simple interest in the Subject, free and clear of financing, as of September 28, 2005, is: **$14,100,000**."

ASSESSED VALUE

Land: 12.71 acres	$1,383,720	**Assessment for the Year of:**	2005
Building:	$7,771,240	**Valuation by:**	Harris County Appraisal District
Total Assessed Value:	$9,154,960	**Tax Rate:**	3.10377

EVIDENCE of SITE or PROPERTY CONTROL

Type of Site Control:	Purchase and Sale Agreement (12.705 acres)		
Contract Expiration Date:	01/ 31/ 2006	**Anticipated Closing Date:**	02/ 28/ 2006
Acquisition Cost:	$13,700,000 (2nd Amendment)	**Other Terms/Conditions:**	
Seller:	Brittany Village Park, LP	**Related to Development Team Member:**	No

CONSTRUCTION COST ESTIMATE EVALUATION

Acquisition Value: The development cost of $32,697 per unit is substantiated by the appraisal and is assumed to be reasonable since the acquisition is an arm's-length transaction. The Applicant also estimated closing and other ineligible acquisition costs totaling $411,000.

Due to the mention in the Property Condition Assessment of rehabilitation work completed on the development in 1996, the development's eligibility for tax credits based on the acquisition cost of the existing buildings is in question. In response to a request, the Applicant submitted a list of rehabilitation work completed from 1996 to 2004 indicating the cost of the work, the basis of the buildings at the beginning of the period and the costs as a percentage of the beginning basis. It should be noted the Applicant certified in Volume 3, Tab 6, Part C of the uniform application that no rehabilitation work greater than 25% of the building's adjusted basis was performed in the previous ten years. For purposes of this analysis, the Underwriter will assume that the development is eligible for acquisition tax credits; however, the recommendations of this report are conditioned upon receipt, review and acceptance of a certification by a third party certified public account or tax attorney familiar with the construction work performed at the development from 1995 to 2005 that the work performed does not adversely affect the development's eligibility for tax credits under Internal Revenue Code Section 42.

The Applicant has claimed an acquisition eligible basis for the existing buildings of $12,316,280 based on a land value of $1,383,720. The tax assessment also indicates a land value at $1,383,720; however, the appraisal commissioned by the Applicant gives a current value of $1,675,000 based on comparable land sales.

The underwriting analysis assumes the appraised land value of $1,675,000 providing for a more conservative acquisition eligible basis of $12,025,000.

Sitework Cost: Since this is a proposed rehabilitation the associated sitework costs are minimal. The Applicant has estimated sitework costs of $2,888 per unit, which is inconsistent with the estimate in the Property Condition Assessment.

Direct Construction Cost: The Applicant's direct construction cost estimate is $720K or 30% lower than the estimate provided in the Property Condition Assessment.

It should be noted the total sitework and direct construction cost indicated in the Applicant's development cost schedule is consistent with the total indicated in the Property Condition Assessment (PCA). It appears the Applicant and PCA-provider have different methodology for characterizing costs as part of sitework.

The total rehabilitation hard costs of $8,310 per unit is greater than the 2005 minimum requirement of $6,000, but less than the 2006 minimum of $12,000.

Interim Financing Fees: The Applicant did not characterize any developments costs as interim interest. In fact, only $30,945 of financing costs is included in their eligible basis estimate.

Fees: The Applicant's contractor's and developer's fees for general requirements, general and administrative expenses, and profit are all within the maximums allowed by TDHCA guidelines.

Conclusion: The Applicant has claimed the 30% boost in eligible basis due to the recent characterization of Harris County as a difficult development area.

The Applicant's total development cost is within 5% of the Underwriter's estimate. However, the Underwriter's estimate reflects the verifiable development costs and an eligible basis estimate that meets current underwriting guidelines; therefore, the Underwriter's development cost schedule will be used to estimate eligible basis and determine the development's need for permanent funds. An eligible basis of $18,069,749, as adjusted by the Underwriter for overstated acquisition basis, supports annual tax credits of $581,511. This figure will be compared to the Applicant's request and the tax credits calculated based on the gap in need for permanent funds to determine the recommended allocation.

FINANCING STRUCTURE

INTERIM CONSTRUCTION FINANCING

Source: Regions Bank **Contact:** E Spencer Knight

Principal Amount: $13,796,600 **Fees:** 1% at issuance; 1% per year

Additional Information: Letter of credit

Amortization: N/A yrs **Term:** 30 mos **Commitment:** ☐ LOI ☒ Firm ☐ Conditional

PERMANENT BOND FINANCING

Source: Fannie Mae via Greystone Servicing Corporation, Inc **Contact:** Kelly Davis

Tax-Exempt Amount: $13,660,000 **Interest Rate:** 6.11% fixed lender's underwriting rate

Additional Information: 30-year credit enhancement at 46 bps per year

Amortization: 30 yrs **Term:** 30 yrs **Commitment:** ☐ LOI ☐ Firm ☒ Conditional

Annual Payment: $994,406 **Lien Priority:** 1st **Date:** 01/ 17/ 2006

TAX CREDIT SYNDICATION

Source: Guilford Capital Corporation **Contact:** Matt Edwards

Net Proceeds: $5,368,683 **Net Syndication Rate (per $1.00 of 10-yr HTC)** 95¢

Commitment: ☒ LOI ☐ Firm ☐ Conditional **Date:** 12/ 28/ 2005

Additional Information: $565,124 anticipated annually in tax credits

APPLICANT EQUITY

Amount: $278,586 **Source:** Cash Equity

Amount: $1,930,196 **Source:** Deferred Developer Fee

FINANCING STRUCTURE ANALYSIS

Permanent Bond Financing: TDHCA will be the issuer of the bonds and the Applicant's financing plan includes credit enhancement by Fannie Mae and a public offering. The permanent financing commitment is generally consistent with the terms reflected in the sources and uses of funds listed in the application. However, the Applicant estimates annual debt service of $998,647, which is higher than the debt service of $994,406 resulting from the terms of the commitment.

HTC Syndication: The tax credit syndication commitment is inconsistent with the terms reflected in the sources and uses of funds listed in the application. While the application form indicates a syndication rate of 93%, the letter of interest commits to 95%.

Deferred Developer's Fees: The Applicant's proposed deferred developer's fees of $1,930,196 amount to 80% of the total proposed fees. The underwriting analysis includes the proposed cash equity of $278,586 with anticipated deferred fees.

Financing Conclusions: The proforma analysis indicates the development can support the requested bond allocation of $13,660,000 at the lender's underwriting rate of 6.11%. As stated above, the Underwriter's cost schedule was used to calculate the development's eligible basis. However, the Applicant's request is less than both the annual tax credits based on the estimated eligible basis and the tax credit resulting from the gap method; therefore, the recommended annual tax credit allocation is $574,490. The anticipated deferred fees of $2,093,897, or 87% of eligible developer fees, appear to be repayable from cashflow within ten years of stabilized operation.

Should it be found that the development does not qualify for acquisition tax credits, the development would be characterized as infeasible based on current underwriting guidelines. The development would not be recommended for a tax credit or bond allocation.

DEVELOPMENT TEAM

IDENTITIES of INTEREST

The Applicant, Developer, and Property Manager are related entities. These are common relationships for HTC-funded developments.

APPLICANT'S/PRINCIPALS' FINANCIAL HIGHLIGHTS, BACKGROUND, and EXPERIENCE

Financial Highlights:

- The Applicant is a single-purpose entity created for the purpose of receiving assistance from TDHCA and therefore has no material financial statements.
- Summit America Properties, Inc, the General Partner, submitted a preliminary consolidated balance sheet as of December 31, 2004 indicating total asset of $786K comprised of $787K in notes receivable, investments in partnerships, and $4K in loan costs. Liabilities total $796K for negative equity of $10K.
- Realty Partners, LLC, 100% owner of the General Partner, submitted a consolidated financial statement worksheet for 2004 indicating total assets of $72.4M comprised of $2.4M in current assets, $3M in restricted assets, $63.2M in real property net of accumulated depreciation, and $3.7M in intangibles. Liabilities total $75.8M for negative net assets of $327K.
- WDH Holdings, LLC, member of the owner of the General Partner, submitted an unedited balance sheet

as of April 30, 2005 indicating total assets of $10.2M comprised of $5K in cash and $10.2M in equity investments in closely held companies. Liabilities totaled $500K in notes payable for net assets of $9.7M.

- Summit America, LLC, a proposed guarantor of permanent financing, submitted consolidated balance sheets as of March 31, 2005 indicating total assets of $32.5M comprised of $8.4M in current assets, $15.9M in property, plant and equipment, and $8.2M in other assets. Liabilities total $25.7M resulting in net assets of $6.8M.
- W Daniel Hughes, Jr, proposed guarantor of permanent financing and 100% owner of WDH Holdings, LLC, also submitted an unaudited financial statement.

Background & Experience: Multifamily Finance Production staff has verified that the Department's experience requirements have been met and Portfolio Management and Compliance staff will ensure that the proposed owners have an acceptable record of previous participation.

SUMMARY OF SALIENT RISKS AND ISSUES

- Significant inconsistencies in the application could affect the financial feasibility of the development.

Underwriter:	*Lisa Vecchietti*	**Date:**	February 6, 2006
Director of Real Estate Analysis:	*Tom Gouris*	**Date:**	February 6, 2006

MULTIFAMILY COMPARATIVE ANALYSIS

Village Park, Houston, 4% HTC #05629

Type of Unit	Number	Bedrooms	No. of Baths	Size in SF	Gross Rent Lmt.	Net Rent per Unit	Rent per Month	Rent per SF	Utilities	Wtr, Swr, Trsh
TC 60%	3	0	1	537	$640	$575	$1,725	$1.07	$55.00	$26.31
MR	1	0	1	537		$575	575	1.07	55.00	26.31
TC 60%	102	1	1	672	686	670	68,340	1.00	65.00	32.31
MR	18	1	1	672		670	12,060	1.00	65.00	32.31
TC 60%	24	1	1	758	686	670	16,080	0.88	65.00	32.31
MR	4	1	1	758		670	2,680	0.88	65.00	32.31
TC 60%	31	2	1	864	823	775	24,025	0.90	80.00	38.31
MR	5	2	1	864		775	3,875	0.90	80.00	38.31
TC 60%	25	2	1	869	823	775	19,375	0.89	80.00	38.31
MR	5	2	1	869		775	3,875	0.89	80.00	38.31
TC 60%	7	2	1	959	823	775	5,425	0.81	80.00	38.31
MR	1	2	1	959		775	775	0.81	80.00	38.31
TC 60%	51	2	2	1,026	823	823	41,973	0.80	80.00	38.31
MR	9	2	2	1,026		823	7,407	0.80	80.00	38.31
TC 60%	61	2	2	1,040	823	823	50,203	0.79	80.00	38.31
MR	11	2	2	1,040		823	9,053	0.79	80.00	38.31
TC 60%	51	3	2	1,150	951	940	47,940	0.82	94.00	51.31
MR	9	3	2	1,150		940	8,460	0.82	94.00	51.31
TOTAL:	418		**AVERAGE:**	895	$672	$775	$323,846	$0.87	$76.46	$37.94

INCOME	Total Net Rentable Sq Ft: 374,298			TDHCA	APPLICANT			Comptroller's Region 6
POTENTIAL GROSS RENT				$3,886,152	$3,494,208			IREM Region Houston
Secondary Income	Per Unit Per Month:	$15.00		75,240	75,240	$15.00	Per Unit Per Month	
Other Support Income: Utility Reimbursement				0	316,008	$63.00	Per Unit Per Month	
POTENTIAL GROSS INCOME				$3,961,392	$3,885,456			
Vacancy & Collection Loss	% of Potential Gross Income:	-7.50%		(297,104)	(271,980)	-7.00%	of Potential Gross Rent	
Employee or Other Non-Rental Units or Concessions				0	0			
EFFECTIVE GROSS INCOME				$3,664,288	$3,613,476			
EXPENSES	% OF EGI	PER UNIT	PER SQ FT			PER SQ FT	PER UNIT	% OF EGI
General & Administrative	3.70%	$324	0.36	$135,600	$46,000	$0.12	$110	1.27%
Management	3.72%	326	0.36	136,190	145,573	0.39	348	4.03%
Payroll & Payroll Tax	11.49%	1,007	1.13	421,086	328,000	0.88	785	9.08%
Repairs & Maintenance	4.39%	385	0.43	161,028	88,980	0.24	213	2.46%
Utilities	16.83%	1,476	1.65	616,767	891,154	2.38	2,132	24.66%
Water, Sewer, & Trash	6.61%	579	0.65	242,047	277,193	0.74	663	7.67%
Property Insurance	2.55%	224	0.25	93,575	94,050	0.25	225	2.60%
Property Tax 3.10377	8.85%	776	0.87	324,344	272,948	0.73	653	7.55%
Reserve for Replacements	3.42%	300	0.34	125,400	125,700	0.34	301	3.48%
Compliance, contract labor, security	3.35%	294	0.33	122,880	106,160	0.28	254	2.94%
TOTAL EXPENSES	64.92%	$5,691	$6.36	$2,378,917	$2,375,758	$6.35	$5,684	65.75%
NET OPERATING INC	35.08%	$3,075	$3.43	$1,285,370	$1,237,718	$3.31	$2,961	34.25%
DEBT SERVICE								
First Lien Mortgage	27.14%	$2,379	$2.66	$994,406	$998,647	$2.67	$2,389	27.64%
Additional Financing	0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
Additional Financing	0.00%	$0	$0.00	0	0	$0.00	$0	0.00%
NET CASH FLOW	7.94%	$696	$0.78	$290,964	$239,071	$0.64	$572	6.62%
AGGREGATE DEBT COVERAGE RATIO				1.29	1.24			
RECOMMENDED DEBT COVERAGE RATIO					1.24			

CONSTRUCTION COST									
Description	Factor	% of TOTAL	PER UNIT	PER SQ FT	TDHCA	APPLICANT	PER SQ FT	PER UNIT	% of TOTAL
Acquisition Cost (site or bldg)		65.13%	$33,758	$37.70	$14,111,000	$14,111,000	$37.70	$33,758	66.53%
Off-Sites		0.00%	0	0.00	0	0	0.00	0	0.00%
Sitework		2.25%	1,165	1.30	487,000	1,207,342	3.23	2,888	5.69%
Direct Construction		11.15%	5,778	6.45	2,415,070	1,694,708	4.53	4,054	7.99%
Contingency	5.70%	0.76%	396	0.44	165,417	165,417	0.44	396	0.78%
General Req'ts	6.00%	0.80%	417	0.47	174,123	174,123	0.47	417	0.82%
Contractor's G & A	2.00%	0.27%	139	0.16	58,039	58,039	0.16	139	0.27%
Contractor's Profit	6.00%	0.80%	417	0.47	174,123	174,123	0.47	417	0.82%
Indirect Construction		0.48%	249	0.28	104,210	104,210	0.28	249	0.49%
Ineligible Costs		4.67%	2,420	2.70	1,011,588	1,011,588	2.70	2,420	4.77%
Developer's G & A	2.00%	1.45%	752	0.84	314,257	0	0.00	0	0.00%
Developer's Profit	13.00%	9.43%	4,887	5.46	2,042,667	2,400,613	6.41	5,743	11.32%
Interim Financing		0.51%	263	0.29	109,843	109,843	0.29	263	0.52%
Reserves		2.30%	1,192	1.33	498,142	0	0.00	0	0.00%
TOTAL COST		100.00%	$51,831	$57.88	$21,665,479	$21,211,006	$56.67	$50,744	100.00%
Recap-Hard Construction Costs		*16.03%*	***$8,310***	***$9.28***	***$3,473,772***	***$3,473,752***	***$9.28***	***$8,310***	*16.38%*

SOURCES OF FUNDS						RECOMMENDED	
First Lien Mortgage	63.05%	$32,679	$36.49	$13,660,000	$13,660,000	$13,660,000	Developer Fee Available
Additional Financing	0.00%	$0	$0.00	0	0	0	$2,400,613
HTC Syndication Proceeds	24.78%	$12,844	$14.34	5,368,683	5,342,224	5,457,109	% of Dev. Fee Deferred
Deferred Developer Fees	10.19%	$5,284	$5.90	2,208,782	2,208,782	2,093,897	87%
Additional (Excess) Funds Req'd	1.98%	$1,024	$1.14	428,014	0	0	15-Yr Cumulative Cash Flow
TOTAL SOURCES				$21,665,479	$21,211,006	$21,211,006	$4,538,272

PAYMENT COMPUTATION

Primary	$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.29

Secondary	$0	Amort	
Int Rate	0.00%	Subtotal DCR	1.29

Additional	$5,342,224	Amort	
Int Rate		Aggregate DCR	1.29

RECOMMENDED FINANCING STRUCTURE APPLICANT'S N

Primary Debt Service	$994,406
Secondary Debt Service	0
Additional Debt Service	0
NET CASH FLOW	$243,312

Primary	$13,660,000	Amort	360
Int Rate	6.11%	DCR	1.24

Secondary	$0	Amort	0
Int Rate	0.00%	Subtotal DCR	1.24

Additional	$5,342,224	Amort	0
Int Rate	0.00%	Aggregate DCR	1.24

OPERATING INCOME & EXPENSE PROFORMA: RECOMMENDED FINANCING STRUCTURE (APPLICANT'S NOI)

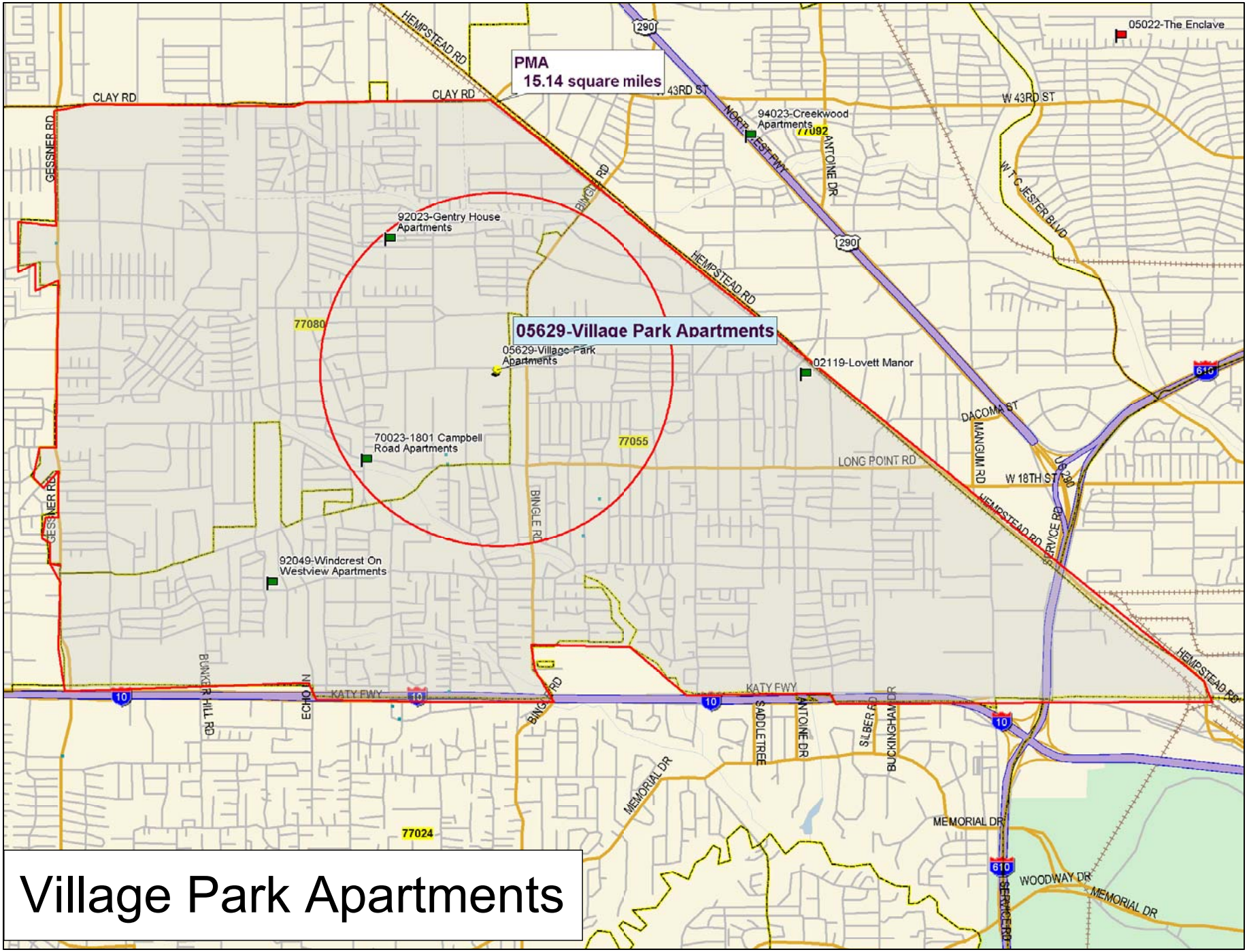
INCOME at 3.00%	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15	YEAR 20	YEAR 30
POTENTIAL GROSS RENT	$3,494,208	$3,599,034	$3,707,005	$3,818,215	$3,932,762	$4,559,149	$5,285,303	$6,127,115	$8,234,330
Secondary Income	75,240	77,497	79,822	82,217	84,683	98,171	113,807	131,934	177,308
Contractor's Profit	316,008	325,488	335,253	345,310	355,670	412,319	477,990	554,122	744,694
POTENTIAL GROSS INCOME	3,885,456	4,002,020	4,122,080	4,245,743	4,373,115	5,069,639	5,877,101	6,813,171	9,156,332
Vacancy & Collection Loss	(271,980)	(300,151)	(309,156)	(318,431)	(327,984)	(380,223)	(440,783)	(510,988)	(686,725)
Developer's G & A	0	0	0	0	0	0	0	0	0
EFFECTIVE GROSS INCOME	$3,613,476	$3,701,868	$3,812,924	$3,927,312	$4,045,131	$4,689,416	$5,436,318	$6,302,183	$8,469,607
EXPENSES at 4.00%									
General & Administrative	$46,000	$47,840	$49,754	$51,744	$53,813	$65,472	$79,657	$96,915	$143,458
Management	145,573	149133.981	153608.0001	158216.2401	162962.7273	188918.4649	219008.2785	253890.6193	341207.7618
Payroll & Payroll Tax	328,000	341,120	354,765	368,955	383,714	466,846	567,990	691,047	1,022,918
Repairs & Maintenance	88,980	92,539	96,241	100,090	104,094	126,646	154,085	187,467	277,498
Utilities	891,154	926,800	963,872	1,002,427	1,042,524	1,268,390	1,543,190	1,877,527	2,779,199
Water, Sewer & Trash	277,193	288,281	299,812	311,804	324,277	394,532	480,009	584,004	864,468
Insurance	94,050	97,812	101,724	105,793	110,025	133,862	162,864	198,149	293,309
Property Tax	272,948	283,866	295,221	307,029	319,311	388,490	472,658	575,060	851,230
Reserve for Replacements	125,700	130,728	135,957	141,395	147,051	178,910	217,672	264,831	392,014
Other	106,160	110,406	114,823	119,416	124,192	151,099	183,835	223,663	331,076
TOTAL EXPENSES	$2,375,758	$2,468,526	$2,565,776	$2,666,871	$2,771,964	$3,363,167	$4,080,967	$4,952,554	$7,296,377
NET OPERATING INCOME	$1,237,718	$1,233,342	$1,247,148	$1,260,441	$1,273,168	$1,326,249	$1,355,351	$1,349,629	$1,173,229
DEBT SERVICE									
First Lien Financing	$994,406	$994,406	$994,406	$994,406	$994,406	$994,406	$994,406	$994,406	$994,406
Second Lien	0	0	0	0	0	0	0	0	0
Other Financing	0	0	0	0	0	0	0	0	0
NET CASH FLOW	$243,312	$238,936	$252,742	$266,035	$278,762	$331,843	$360,945	$355,223	$178,824
DEBT COVERAGE RATIO	1.24	1.24	1.25	1.27	1.28	1.33	1.36	1.36	1.18

LIHTC Allocation Calculation - Village Park, Houston, 4% HTC #05629

CATEGORY	APPLICANT'S TOTAL AMOUNTS	TDHCA TOTAL AMOUNTS	APPLICANT'S ACQUISITION ELIGIBLE BASIS	TDHCA ACQUISITION ELIGIBLE BASIS	APPLICANT'S REHAB/NEW ELIGIBLE BASIS	TDHCA REHAB/NEW ELIGIBLE BASIS
(1) Acquisition Cost						
Purchase of land	$1,794,720	$2,086,000				
Purchase of buildings	$12,316,280	$12,025,000	$12,316,280	$12,025,000		
(2) Rehabilitation/New Construction Cost						
On-site work	$1,207,342	$487,000			$1,207,342	$487,000
Off-site improvements						
(3) Construction Hard Costs						
New structures/rehabilitation hard costs	$1,694,708	$2,415,070			$1,694,708	$2,415,070
(4) Contractor Fees & General Requirements						
Contractor overhead	$58,039	$58,039			$58,039	$58,039
Contractor profit	$174,123	$174,123			$174,123	$174,123
General requirements	$174,123	$174,123			$174,123	$174,123
(5) Contingencies	$165,417	$165,417			$165,417	$165,417
(6) Eligible Indirect Fees	$104,210	$104,210			$104,210	$104,210
(7) Eligible Financing Fees	$109,843	$109,843			$109,843	$109,843
(8) All Ineligible Costs	$1,011,588	$1,011,588				
(9) Developer Fees			$1,847,442	$1,803,750	$553,171	$553,174
Developer overhead		$314,257				
Developer fee	$2,400,613	$2,042,667				
(10) Development Reserves		$498,142				
TOTAL DEVELOPMENT COSTS	$21,211,006	$21,665,479	$14,163,722	$13,828,750	$4,240,976	$4,240,999

Deduct from Basis:					
All grant proceeds used to finance costs in eligible basis					
B.M.R. loans used to finance cost in eligible basis					
Non-qualified non-recourse financing					
Non-qualified portion of higher quality units [42(d)(3)]					
Historic Credits (on residential portion only)					
TOTAL ELIGIBLE BASIS	$14,163,722	$13,828,750	$4,240,976	$4,240,999	
High Cost Area Adjustment			130%	130%	
TOTAL ADJUSTED BASIS	$14,163,722	$13,828,750	$5,513,268	$5,513,298	
Applicable Fraction	85%	85%	85%	85%	
TOTAL QUALIFIED BASIS	$12,028,998	$11,744,513	$4,682,321	$4,682,347	
Applicable Percentage	3.54%	3.54%	3.54%	3.54%	
TOTAL AMOUNT OF TAX CREDITS	$425,827	$415,756	$165,754	$165,755	
Syndication Proceeds	**0.9499**	**$4,044,948**	**$3,949,285**	**$1,574,507**	**$1,574,516**

Total Credits (Eligible Basis Method)	**$591,581**	**$581,511**
Syndication Proceeds	**$5,619,455**	**$5,523,800**
Requested Credits	**$574,490**	
Syndication Proceeds	**$5,457,109**	
Gap of Syndication Proceeds Needed	**$7,551,006**	
Credit Amount	**$794,922**	



Village Park Apartments

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www.delorme.com

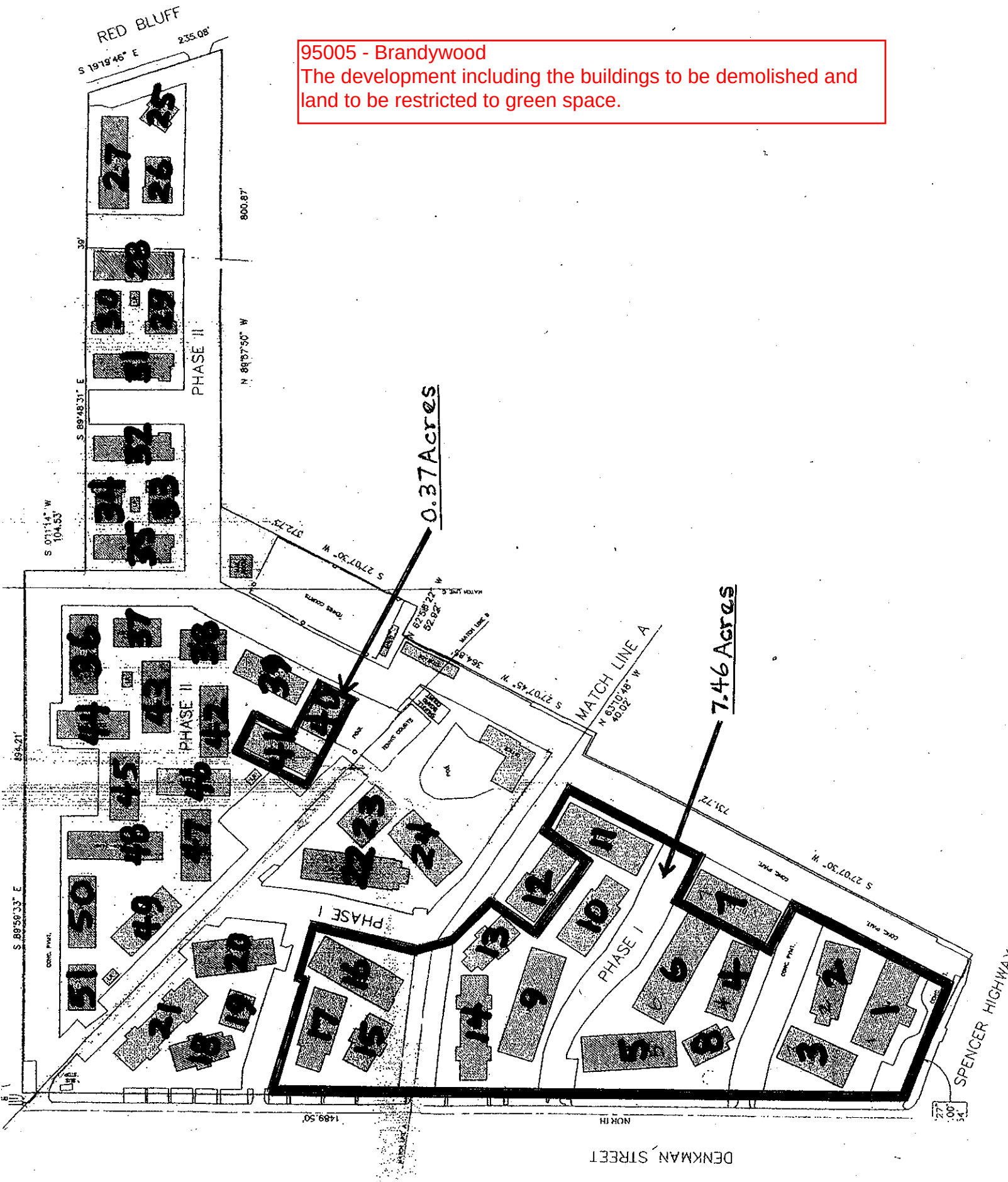
TN
MN (4.0°E)

Scale 1 : 46,875

1" = 3,906.3 ft

Data Zoom 12-1

95005 - Brandywood
The development including the buildings to be demolished and land to be restricted to green space.



AMERICAN HOUSING FOUNDATION

HTC 95005

04-27-09 A07:23 RCVD

April 23, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing & Community Affairs
221 E. 11th Street
Austin, Texas 78701

via overnight delivery

Re: Brandywood Apartments, Ltd. – Request for Amendment of the 1996 Land Use Restriction Agreement (LURA)

Project Information

TDHCA No. 95005	Project Name: Brandywood Apartments
Program: 9% Tax Credits / Rehabilitation	Project Location: Pasadena, Texas
Allocation Year: 1995	Final Allocation Amount: $390,624
Total Number of Units: 698	Number of Restricted Units: 70% or 498 units
Number of Buildings Placed in Service: 51	Dates Placed in Service:12/31/96 thru 12/31/97
Last Payment to Tax Credit Investors: 2007	Recapture not anticipated from Amendment
Owner's Name: Brandywood Housing, Ltd.	General Partner: Brandywood Apartments, Inc.
Limited Partner: USA Institutional Credit Fund VI L.P., al Delaware limited partnership	Mortgage Lender: Texas Capital Bank, N.A. Current Balance Approx: $7,000,000.00

Historical Flooding

Brandywood Apartments has a historically high incidence of flooding due to the geographic location of the property. Between 1994 and 1999, the property suffered damages from flooding on seven (7) separate occasions. In early 2000, the State of Texas redesigned the Spencer Highway, located at the southwest corner of the property, to alleviate the high water in the residential area south of apartment community. The redesign of the highway merely perpetuated the flooding in areas of the property which were already prone to rising waters in times of heavy, persistent rainfall. Subsequent flooding in 2001 and 2003, demonstrated the redesign of highway caused substantially higher damages to the property and the residents. Most recently, flooding from Hurricane Ike, in September of 2008, caused the most extensive damage thus far.

1800 S. Washington, Suite #311 • Amarillo, Texas • 79102-2668 • 806.372.7500 • Fax: 806.372.7508

Funding to Mitigate Flooding

To mitigate the effects of the redesigned highway, the State of Texas, through the Texas Water Board and the Federal Emergency Management Agency (FEMA), has provided a grant to the City of Pasadena to purchase the portion of the property which has become subject to increasingly repetitive flood loss claims. The Severe Repetitive Loss (SRL) Grant ("Grant") for the Brandywood Apartments was approved on October 1, 2008, in the amount of $10,758,208.56 payable from the Grant, and Brandywood's matching portion of $1,195,356.51, for a total of $11,952,566. The purchase will include 17 apartment buildings, which includes 258-units of the property's 698-units. A copy of the site plan and site survey which highlights the buildings to be demolished is included under Tab 1. The Grant includes provide funds for demolition and asbestos abatement of the purchased buildings; relocation expenses for current residents; and to create a city park/green space area to ameliorate future flood events. The Grant funds will be utilized per the requirements of the Memorandum of Contract under the Severe Repetitive Loss Grant Program between FEMA, the Texas Water Board, and the City of Pasadena. Once all the demolition is complete, the City of Pasadena will purchase the land with Grant funds. The funds received will be used to pay costs and pay down the first lien debt on the property. A copy of the Memorandum of Contract and the Agreement has been included under Tab 2.

The Owner will contract with Mid-Continent Community Development Corporation (MC-CDC) to provide the demolition and abatement services. A copy of the proposed AIA Document A111 Construction Contract with MC-CDC is attached under Tab 3.

In addition to removing the 258-units and preparing the remaining land as a green space with resident amenities, the Grant pays for all relocation costs for any displaced residents who need to be relocated to other units onsite or other apartment communities, based on qualifications of affordability and availability. Under the terms of the Memorandum of Contract the Owner has contracted with Jeffrey S. Ward and Associates, Inc. to provide Relocation Services for the residents. A copy of this Agreement is attached under Tab 4.

Request for Amendment of the 1996 TDHCA LURA

On December 4, 1996, the Owner entered into a Land Use Restriction Agreement (LURA) with TDHCA in accordance with the approval and acceptance of an allocation of tax credits in 1995. This LURA was recorded with the Harris County Clerk on December 31, 1996. A copy of the LURA is attached under Tab 5. According to the LURA, the Owner agreed to the following provisions:

1. Owner must set-aside 70% of the units of the property for individuals or families earning 60% of the area's median income, adjusted for family size. 70% of the property's 698-units are equal to 489-units designated as restricted units.
2. Owner must continue to set-aside the restricted units for the Compliance Period (15 years, until 2011)
3. Material Participation by a Qualified Nonprofit Organization – a nonprofit must own an interest in the property to materially participate in the ownership within the meaning of Section 469(h) of the Code.

4. Exercise the Right of First Refusal to offer the property for sale to a Nonprofit Organization. The Owner must notify TDHCA of its intent to sell the property after the 15 year Compliance Period. TDHCA will try to find a nonprofit organization to purchase the property in order to keep property restrictions in place.
5. Owner must equip 5% of the units for persons with physical or mental disabilities.
6. Owner must consider prospective residents referred from the waiting list of the Housing Authority of Pasadena, Texas.

Under the current LURA, the Owner must meet the set-aside for the unit restrictions for the income requirements. Since the number of units for the entire property is being reduced by 258-units, the Owner will not be able to physically meet the set-aside requirements under the income set-asides as there will only be 440-units of the 489-units required to meet the income set-aside restrictions. If the Owner were to set-aside the entire 440-unit property after the flood mitigation reconstruction, the requirement would still be 49-units short of the total required for the property under the current LURA. Therefore, in order for the Owner to maintain Compliance with the requirements of the LURA, the LURA must be amended.

The Owner respectfully requests consideration of the staff and the Board of Directors for the following revisions:

1. Amend Section 4(c) to change the number of units to **440** units, of which at least **440** will be Low-Income Units. The Minimum Applicable Fraction for each building will be at least **100** percent during the Compliance Period.

2. The Grant will pay all relocation costs for the displaced residents from the qualified units to other units onsite or other apartment communities, with zero cost to the residents.

3. The land will be sold to the City of Pasadena with a deed restriction that can only be used as park land, which will be a benefit as an amenity for the current and future residents of the property. The restriction will be included in the Warranty Deed of the land and is in perpetuity.

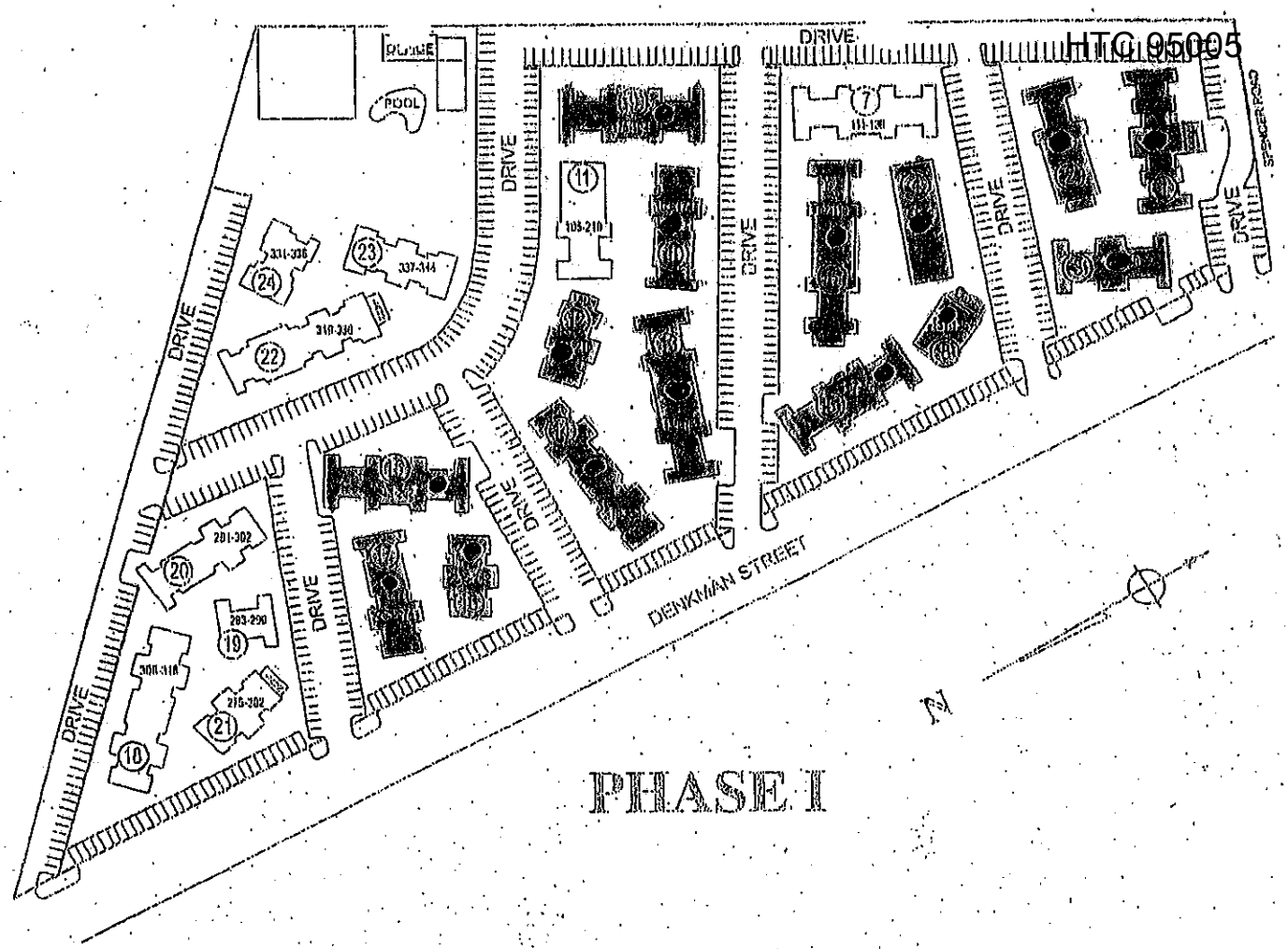
Additional information included under Tab 6, is a copy of the Project Summary from the Cost Certification, which details the property Unit Information (before the taking of the units) and a Unit Configuration breakdown of the units (after the taking) which was requested by staff.

AHF would like to request a waiver of the Amendment fee at this time. Should you have questions regarding this request, please contact me at (806)349-4624, or by email at pam@americanhousing.org.

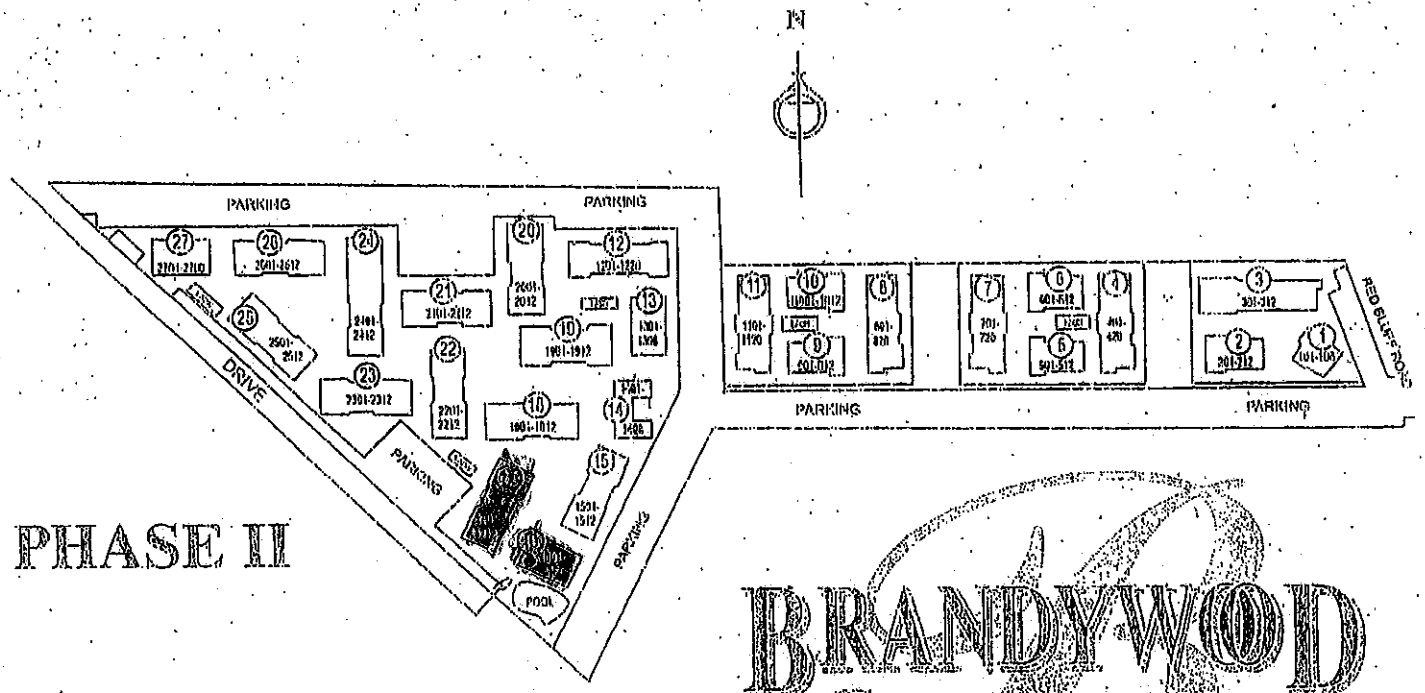
Respectfully,

Pam McDonald, Senior Vice President

HTG 95005



PHASE I

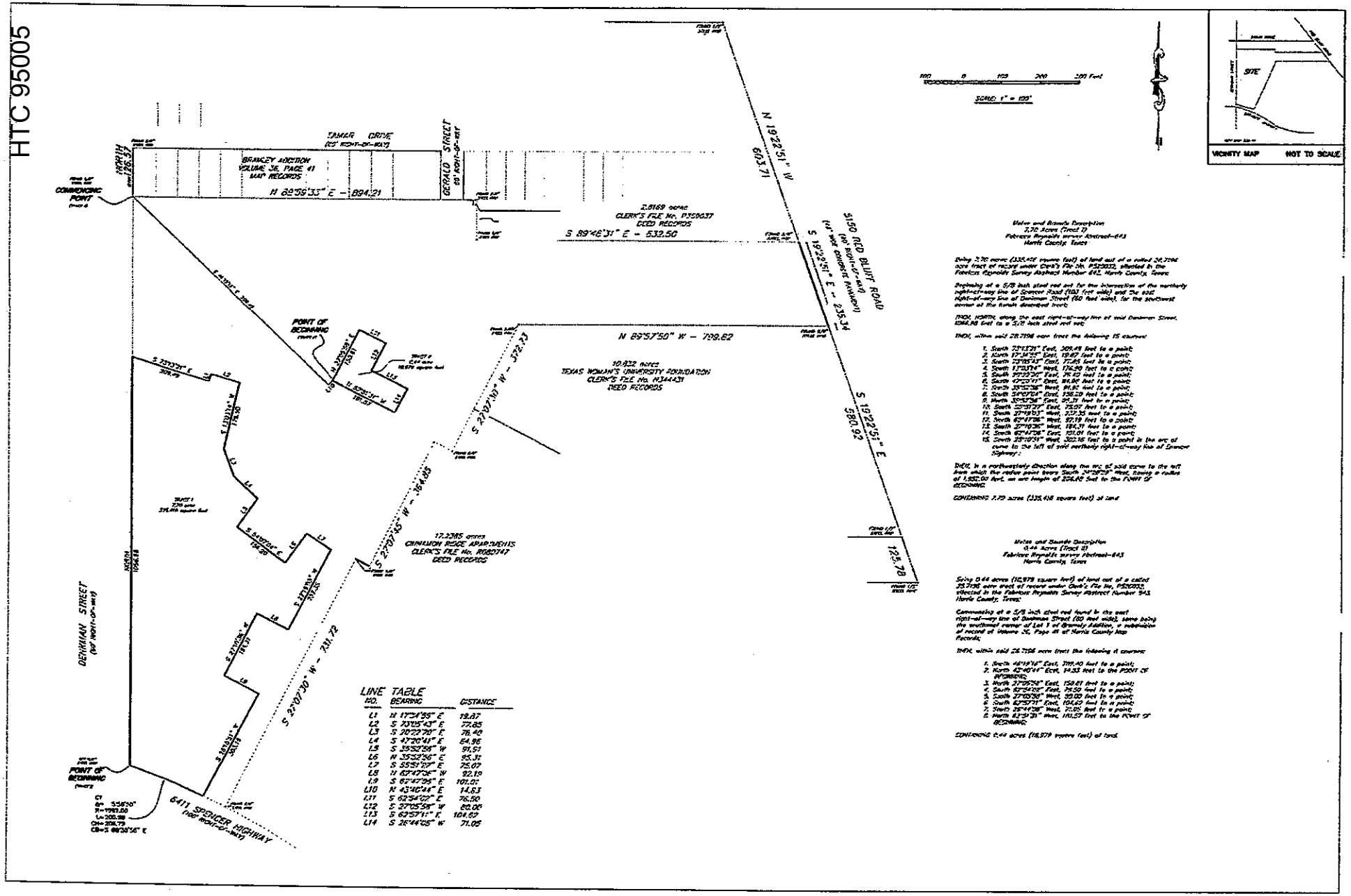


PHASE II

BRANDYWOOD

COMMUNITY

HTC 95005



LINE TABLE

NO.	BEARING	DISTANCE
L1	N 17°34'35" E	19.87
L2	S 73°05'43" E	77.85
L3	S 20°22'20" E	78.40
L4	S 47°26'41" E	84.96
L5	S 39°57'56" W	91.51
L6	N 35°32'56" E	55.31
L7	S 55°51'07" E	75.07
L8	N 67°47'06" W	92.19
L9	S 67°47'06" E	101.01
L10	N 43°46'44" E	14.83
L11	S 62°54'02" E	76.50
L12	S 27°05'58" W	80.00
L13	S 62°57'11" E	104.62
L14	S 26°44'05" W	71.05

Metes and Bounds Description
7.70 Acres (Tract 1)
Fabricio Reynolds Survey Abstract-643
Harris County, Texas

Being 7.70 acres (335,416 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520832, situated in the Fabricio Reynolds Survey Abstract Number 643, Harris County, Texas

Beginning at a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 foot wide) and the east right-of-way line of Dashman Street (60 foot wide), for the southwest corner of the herein described tract;

THENCE NORTH, along the east right-of-way line of said Dashman Street, 1066.88 feet to a 5/8 inch steel rod set;

THENCE, within said 28.7196 acre tract the following 15 courses:

1. South 73°13'21" East, 209.49 feet to a point;
2. North 17°34'35" East, 19.87 feet to a point;
3. South 73°05'43" East, 77.85 feet to a point;
4. South 17°53'14" West, 176.90 feet to a point;
5. South 72°22'20" East, 78.40 feet to a point;
6. South 47°26'41" East, 84.96 feet to a point;
7. North 35°32'56" West, 91.51 feet to a point;
8. South 54°27'04" East, 158.29 feet to a point;
9. North 35°32'56" East, 29.31 feet to a point;
10. South 55°51'07" East, 75.07 feet to a point;
11. South 27°19'53" West, 237.35 feet to a point;
12. North 62°47'06" West, 92.19 feet to a point;
13. South 27°19'53" West, 194.31 feet to a point;
14. South 62°47'06" East, 101.01 feet to a point;
15. South 25°10'51" West, 322.16 feet to a point in the arc of curve to the left of said northerly right-of-way line of Spencer Highway;

THENCE, in a northwesterly direction along the arc of said curve to the left from which the radius point bears South 24°38'29" West, having a radius of 1,952.00 feet, an arc length of 206.85 feet to the POINT OF BEGINNING;

CONTAINING 7.70 acres (335,416 square feet) of land

Metes and Bounds Description
0.44 Acres (Tract 2)
Fabricio Reynolds Survey Abstract-643
Harris County, Texas

Being 0.44 acres (19,979 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520832, situated in the Fabricio Reynolds Survey Abstract Number 643, Harris County, Texas;

Commencing at a 5/8 inch steel rod found in the east right-of-way line of Dashman Street (60 foot wide), same being the southwest corner of Lot 1 of Bramley Addition, a subdivision of record of Volume 36, Page 41 of Harris County Map Records;

THENCE, within said 28.7196 acre tract the following 8 courses:

1. South 16°13'14" East, 1119.40 feet to a point;
2. North 42°40'44" East, 14.83 feet to the POINT OF BEGINNING;
3. North 27°05'58" East, 159.61 feet to a point;
4. South 62°54'02" East, 74.50 feet to a point;
5. South 27°05'58" West, 80.00 feet to a point;
6. South 62°57'11" East, 104.62 feet to a point;
7. South 26°44'05" West, 71.05 feet to a point;
8. North 62°57'11" West, 180.59 feet to the POINT OF BEGINNING;

CONTAINING 0.44 acres (19,979 square feet) of land.

MEMORANDUM OF CONTRACT

STATE OF TEXAS

COUNTY OF TRAVIS

TWDB Contract No: 0900010908

Severe Repetitive Loss

Project Grant

This Contract (hereinafter "CONTRACT") is entered into by and between the TEXAS WATER DEVELOPMENT BOARD (hereinafter "TWDB"), serving as Grantor for the Federal Emergency Management Administration's (hereinafter "FEMA") Severe Repetitive Loss program (hereinafter "SRL") and **City of Pasadena** hereinafter ("CONTRACTOR"), the Grantee.

DEFINITIONS: For the purposes of the CONTRACT and this Memorandum of Contract, the following terms or phrases shall have the meaning ascribed therewith:

A. TWDB - The Texas Water Development Board, or its designated representative

B. FEMA – Federal Emergency Management Administration

C. SRL – Severe Repetitive Loss

C. CONTRACTOR – City of Pasadena

D. EXECUTIVE ADMINISTRATOR - The Executive Administrator for the TWDB or his designated representative

D. PARTICIPANT(S) – Harris County, City of Pasadena

E. REQUIRED INTERLOCAL AGREEMENT(S) – N/A

F. BOARD APPROVAL DATE – May 27, 2008

G. PROJECT AREA - The project area is more specifically defined in Exhibit B (the original grant application).

I. DEADLINE FOR CONTRACT EXECUTION – January 20, 2009

J. CONTRACT EFFECTIVE DATE – FEMA APPROVAL DATE, September 11, 2008

K. PROJECT COMPLETION DATE – September 10, 2011

L. TOTAL PROJECT COSTS - $11,953,564.96

M. FEDERAL SHARE OF THE TOTAL PROJECT COSTS - Not to exceed $10,758,208.46, or ninety percent (90%) of the total project costs.

N. LOCAL SHARE OF THE TOTAL PROJECT COSTS – $1,195,356.50, or not less than ten percent (10%) of the total project costs.

O. PAYMENT REQUEST SUBMISSION SCHEDULE - Quarterly

P. OTHER SPECIAL CONDITIONS AND EXCEPTIONS TO STANDARD AGREEMENT OF THIS CONTRACT – N/A

IN WITNESS WHEREOF, the parties have caused this CONTRACT to be duly executed in duplicate originals.

TEXAS WATER DEVELOPMENT BOARD

J. Kevin Ward
Executive Administrator

Date:_____

CITY OF PASADENA

Johnny Isbell
Mayor

Date:_____

CONTRACT Number: 0900010908

TEXAS WATER DEVELOPMENT BOARD, Grantor
and
CITY OF PASADENA, Grantee
for
SEVERE REPETITIVE LOSS
Project Grant

This CONTRACT is entered into by the Texas Water Development Board (TWDB), an agency of the State of Texas, located at 1700 N. Congress Avenue, Austin, Texas and City of Pasadena (CONTRACTOR), located at 901 Curtis, Pasadena, Texas. The TWDB and the CONTRACTOR are the Parties to this the CONTRACT.

ARTICLE I. RECITALS

WHEREAS, the CONTRACTOR applied through the TWDB for a FEMA project grant under the SRL program to mitigate specific flood problems as identified in Exhibit B, the original grant application which is incorporated herein and made a permanent part of this CONTRACT;

WHEREAS, the CONTRACTOR and PARTICIPANTS will commit cash and/or in-kind services to pay for the LOCAL SHARE OF THE TOTAL PROJECT COSTS;

WHEREAS, the CONTRACTOR is the entity who will act as administrator of the grant and will be responsible for the execution of this CONTRACT;

WHEREAS, on the FEMA APPROVAL DATE, FEMA approved the CONTRACTOR's application for financial assistance;

NOW, THEREFORE, the TWDB and the CONTRACTOR agree as follows:

ARTICLE II. AGREEMENTS

The United States of America, through the Director of FEMA, has agreed to fund to the CONTRACTOR, through the TWDB, the FEDERAL SHARE OF THE TOTAL PROJECT COSTS. By acceptance of the funds awarded, the CONTRACTOR agrees to abide by the terms and conditions of this CONTRACT as set forth in this document and the documents identified therein and made a part hereof by reference, including the federal laws and rules listed in Exhibit A.

ARTICLE III. PERIOD OF PERFORMANCE

The period of performance of this CONTRACT shall be from the CONTRACT EFFECTIVE DATE to the PROJECT COMPLETION DATE, unless otherwise amended.

ARTICLE IV. FEDERAL LAWS AND RULES THAT APPLY

FEMA requires all grant recipients to comply with federal laws and rules. These federal laws and rules are listed in Exhibit A, which is incorporated herein and made a permanent part of this CONTRACT. CONTRACTOR will comply with all federal laws and rules listed in Exhibit A. Copies of those federal laws and rules are available upon request.

ARTICLE V. TERMS AND CONDITIONS

The specific terms and conditions of this CONTRACT are as follows:

1. The TWDB shall reimburse the CONTRACTOR for costs determined by FEMA to be allowable, allocable, and reasonable in accordance with OMB Circular A-87.

2. To request reimbursement hereunder, the CONTRACTOR shall submit an original Request for Reimbursement Form, a Project status report, and an original Financial Status Report Form (FEMA Form 20-10), to the TWDB's contract manager for this CONTRACT. Each voucher shall show the CONTRACT NUMBER, costs for the billing period, and costs to date.

3. The CONTRACTOR shall follow prior approval requirements found in 44 CFR Part 13.30.

4. The grant is conditioned upon compliance with the National Environmental Policy Act (NEPA) and related legislation as implemented under 44 CFR Part 10 such that the CONTRACTOR is precluded from drawing federal funds beyond administrative activities, preliminary feasibility studies or preliminary design/engineering for individual projects until the environmental and historic preservation reviews are complete and approved by FEMA. CONTRACTOR is encouraged to integrate NEPA compliance with the initial planning and decision making process for this program.

5. The CONTRACTOR shall follow matching or cost sharing requirements found in 44 CFR Part 13.24.

6. The CONTRACTOR shall transfer to the TWDB, for return to FEMA, the appropriate share, based on the Federal support percentage, of any refund, rebate, credit or other accounts arising from the performance of this CONTRACT, along with accrued interest, if any. The CONTRACTOR shall take necessary action to effect prompt collection of all monies due or which may become due and to cooperate with the TWDB and FEMA in any claim or suit in connection with the amounts due.

7. Prior to the start of any construction activity, the CONTRACTOR shall ensure that all applicable Federal, State, and local permits and clearances are obtained.

8. The CONTRACTOR is free to copyright any original work developed in the course of or under this CONTRACT. The TWDB and FEMA reserve a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for governmental purposes. Any publication resulting from work performed under this CONTRACT shall include an acknowledgement of FEMA financial support and a statement that the publication does not necessarily reflect the views of FEMA or the TWDB.

9. No subsequent grants/cooperative agreements, monetary increase amendments or time extension amendments will be approved unless all overdue financial or performance reports

have been submitted by the CONTRACTOR to the TWDB. Exceptions to this policy can by approved only by the Assistance Officer at FEMA.

10. The CONTRACTOR agrees by accepting funds under this CONTRACT to comply with all provisions of 44 CFR 13.31, Equipment. FEMA Form 20-18, Government Property Form is to be used to report Government Property. Instructions on which property items are to be reported should be provided in writing by the Assistance Officer at FEMA.

11. By executing this CONTRACT, the CONTRACTOR accepts the authority of the State Auditor's Office, under direction of the legislative audit committee, to conduct audits and investigations in connection with any and all state funds received pursuant to this contract. The CONTRACTOR shall comply with and cooperate in any such investigation or audit. The CONTRACTOR agrees to provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The CONTRACTOR also agrees to include a provision in any subcontract related to this contract that requires the subcontractor to submit to audits and investigation by the State Auditor's Office in connection with any and all state funds received pursuant to the subcontract.

ARTICLE VI. DISTRIBUTING GRANT FUNDS

1. A. The TWDB agrees to compensate and reimburse the CONTRACTOR in a total amount not to exceed the FEDERAL SHARE OF THE TOTAL PROJECT COSTS for costs incurred and paid by the CONTRADCTOR pursuant to performance of this CONTRACT. The CONTRACTOR will contribute local matching funds in sources and amounts defined as the LOCAL SHARE OF THE TOTAL PROJECT COSTS. The TWDB shall reimburse the CONTRACTOR for ninety percent (90%) of FEMA's share of each invoice pending the CONTRACTOR's performance and FEMA review and approval, at which time the TWDB shall pay the retained ten percent (10%) to the CONTRACTOR.

   B. Notwithstanding subsection (a), the TWDB may provide advance funds to the CONTRACTOR in order to minimize the time elapsing between the transfer of funds and their disbursement by the CONTRACTOR. Such advance shall be in compliance with FEMA regulations, including but not limited to 44CFR § 13.21(c). The CONTRACTOR understands and agrees that he has no right to such advances, but that TWDB, in its sole discretion, may from time to time agree to advance payments.

2. The CONTRACTOR (S) shall submit vouchers and documentation for reimbursement billing according to the VOUCHER SUBMISSION SCHEDULE and in accordance with the approved task and expense budgets contained in Exhibit E to this CONTRACT. At the discretion of the EXECUTIVE ADMINISTRATOR and upon written memorandum to the contract file, the CONTRACTOR (S) has budget flexibility within task and expense budget categories to the extent that the resulting change in amount in any one task or expense category does not exceed 35% of the total amount authorized by this CONTRACT for the task or category to be changed or $5,000 whichever is larger. Larger deviations shall require a formal contract amendment. For all reimbursement billings including any subcontractor's expenses, the EXECUTIVE ADMINISTRATOR must have provided written approval of REQUIRED INTERLOCAL AGREEMENT (S) and contracts or agreements between the CONTRACTOR (S) and the subcontractor. The CONTRACTOR (S) is fully responsible for paying all charges by subcontractors prior to

reimbursement by the TWDB.

3. The CONTRACTOR (S) and its subcontractors shall maintain satisfactory financial accounting documents and records, including copies of invoices and receipts, and shall make them available for examination and audit by the EXECUTIVE ADMINISTRATOR. Accounting by the CONTRACTOR (S) and its subcontractors shall be in a manner consistent with generally accepted accounting principles.

4. A progress report and the following documentation which documents the TOTAL PROJECT COSTS for reimbursement by the TWDB to the CONTRACTOR (S) for the FEDERAL SHARE OF THE TOTAL PROJECT COSTS shall be submitted by the CONTRACTOR (S) to the EXECUTIVE ADMINISTRATOR for reimbursement billing:

   A. Summary of total expenses incurred including the following information:
      (1) CONTRACTOR's Vendor Identification Number;
      (2) TWDB CONTRACT Number;
      (3) Total expenses for the billing period; beginning (date) to ending (date);
      (4) Completed FEMA Form 20-10;
      (5) Completed FEMA Form 20-22;
      (6) Total In-kind services;
      (7) Total Services for this period;
      (8) Less LOCAL SHARE OF THE TOTAL PROJECT COSTS for the billing period;
      (9) Total FEDERAL SHARE OF THE TOTAL PROJECT COSTS for the billing period;
      (10) Amount of retainage to be withheld for the billing period;
      (11) Total costs to be reimbursed by the TWDB for the billing period; and
      (12) Certification, signed by the CONTRACTOR(S) authorized representative, that the expenses submitted for the billing period are a true and correct representation of amounts paid for work performed directly related to this contract.

   B. For direct expenses incurred by the CONTRACTOR(S) -- documentation showing the tasks that were performed; the percent and cost of each task completed; a total cost figure for each direct expense category including labor, fringe, overhead, travel, communication and postage, technical and computer services, expendable supplies, printing and reproduction; and

   C. For direct expenses incurred by the CONTRACTOR(S) for outside consulting services -- copies of invoices to the CONTRACTOR(S) showing the tasks that were performed; the percent and cost of each task completed; a total cost figure for each direct expense category including labor, fringe, overhead, travel, communication and postage, technical and computer services, expendable supplies, printing and reproduction; and the total dollar amount due to the consultant; and

   D. For travel and subsistence expenses, including such expenses for subcontractors –

      (1) names, dates, work locations, time periods at work locations, itemization of subsistence expenses of each employee, limited, however, to travel expenses authorized for state employees by the General Appropriations Act,

Tex. Leg. Regular Session, 2005, Article IX, Part 5, as amended or superseded;

(2) other transportation costs – copies of invoices covering tickets for transportation or, if not available, names, dates, and points of travel of individuals; and

(3) all other reimbursable expenses -- invoices or purchase vouchers showing reason for expense with receipts to evidence the amount incurred.

ARTICLE VII. FINANCIAL REPORTS

The CONTRACTOR shall submit an original and three (3) copies of the Financial Status Report Form (FEMA Form 20-10), to the TWDB's contract manager within thirty (30) days following the end of each quarter of the project with the exception of the final Financial Status Report, which shall be due ninety (90) days after project completion.

All other reporting requirements in accordance with Section 8 of the General Provisions for Grants and Cooperative Agreements, Exhibit C, are applicable.

ARTICLE VIII. PERFORMANCE REPORTING

1. Quarterly. The CONTRACTOR shall submit an original and three (3) copies of the quarterly Performance report (FEMA Form 20-22, Narrative Report Form) and any supporting documentation to the TWDB's contract manager by the fifteenth (15th) day following the end of each quarter.

   All other reporting requirements in accordance with Section 9 of the General Provisions for Grants and Cooperative Agreements, Exhibit C, are applicable.

2. Final Report. The CONTRACTOR shall submit an original and three (3) copies of a final report (FEMA Form 20-22, Narrative Report Form) and any supporting documentation which details all the work performed under the CONTRACT. The report shall be submitted within three (3) months of project completion.

ARTICLE IX. NO DEBT AGAINST THE STATE

This CONTRACT shall not be construed as creating any debt by or on behalf of the State of Texas and the TWDB, and all obligations of the State of Texas are subject to the availability of funds. To the extent the performance of this CONTRACT transcends the biennium in which this CONTRACT is entered into, this CONTRACT is specifically contingent upon the continued authority of the TWDB and appropriations therefor.

ARTICLE X. INSURANCE

For the purposes of this CONTRACT, the CONTRACTOR will be considered an independent contractor and, therefore, solely responsible for liability resulting from negligent acts or omissions. The CONTRACTOR shall obtain all necessary insurance, in the judgment of the CONTRACTOR, to protect itself, from liability arising out of this CONTRACT.

ARTICLE XI. SEVERANCE PROVISION

Should any one or more provisions of this CONTRACT be held to be null, void, voidable, or, for any reason whatsoever, of no force and effect, such provision(s) shall be construed as severable from the remainder of this CONTRACT and shall not affect the validity of all other provisions of this CONTRACT which shall remain in full force and effect.

ARTICLE XII. SUSPENSION AND TERMINATION PROCEDURES

If the CONTRACTOR fails to comply with the terms, conditions or standards of this CONTRACT, the TWDB may, upon written notice, temporarily suspend reimbursement payments pending corrective action by the CONTRACTOR or terminate the CONTRACT. Necessary ALLOWABLE COSTS that the CONTRACTOR could not reasonably avoid incurring during the period of suspension or after termination will be reimbursed pursuant to this CONTRACT.

In addition, this CONTRACT may be terminated if both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds.

If termination of the CONTRACT occurs, the procedures described in Item 12 of the Federal Emergency Management Agency General Provisions for Grants and Cooperative Agreements, Exhibit C, which is incorporated into this CONTRACT, will be followed.

ARTICLE XIII. CORRESPONDENCE, REPORTS, AND BILLINGS

All correspondence, reports, and billings related to this CONTRACT shall be made to the following addresses:

For the BOARD:

Mr. J. Kevin Ward
Executive Administrator
Texas Water Development Board
P.O. Box 13231, Capitol Station
Austin, Texas 78711-3231
Attention: Kathy Hopkins
Contract Manager
Flood Mitigation Planning

For the CONTRACTOR:

Mr. Johnny Isbell
Mayor
City of Pasadena
901 Curtis
Pasadena, Texas 77501

Exhibit A
Federal Laws and Rules

FEMA, through its Grant Agreement with the Texas Water Development Board, requires all grant recipients to comply with the following federal laws and rules:

1. 44 CFR, Part 13: Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
2. 44 CFR, Part 7: Nondiscrimination in Federal Assistance Programs
3. 44 CFR, Part 10: Environmental Considerations
4. 44 CFR, Part 14: Administration of Grants: Audits of State and Local Governments
5. 44 CFR, Part 17: Government-wide Debarment and Suspension (non-procurement) and Government-wide Requirements for Drug-Free Workplace
6. 44 CFR, Part 18: New Restrictions on Lobbying
7. 44 CFR, Subchapter B - Insurance and Hazard Mitigation
8. 44 CFR, Subchapter C - Fire Prevention and Control
9. 44 CFR, Subchapter D - Disaster Assistance
10. 44 CFR, Subchapter E - Preparedness
11. 44 CFR Section 205.6 - Funding Techniques
12. Public Law 95-224 - Federal Grant and Cooperative Agreement Act of 1997
13. Public Law 101-336 - The Americans with Disabilities Act
14. Executive Order 12372 - Intergovernmental Review of the Federal Emergency Management Agency Programs and Activities
15. OMB Circular A-102 - Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments
16. OMB Circular A-87 - Cost Principles for State and Local Governments
17. OMB Circular A-110 - Uniform Administrative Requirements for Grants and Cooperative Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
18. OMB Circular A-21 - Cost Principles for Educational Institutions
19. OMB Circular A-133 - Audits of Institutions of Higher Education and Other Non-Profit Organizations
20. OMB Circular A-122 - Cost Principles for Non-Profit Organizations
21. OMB Circular A-123 - Internal Control System
22. OMB Circular A-50 - Audit Follow-up
23. FEMA Manual 2700.1 - Advance Financing Payment Systems

Exhibit B

Original Application

Exhibit C

Section 8 of the General Provisions for Grants and Cooperative Agreements

FEDERAL EMERGENCY MANAGEMENT AGENCY

GENERAL PROVISIONS

FOR

GRANTS AND COOPERATIVE AGREEMENT

General Provisions

The general provisions which are based upon the requirements of the Office of Management and Budget Circulars A-102 and A-110 are set forth in this section and shall be used verbatim in all discretionary awards.

(1) Definitions

(1) The term " Recipient" refers to the grantee if the legal instruments to which these General Provisions apply is a grant and to the cooperating party if they apply to a cooperative agreement.
(2) The term "instrument" refers to either a grant or a cooperative agreement.
(3) The term "Assistance Officer" (AO) refers to the individual delegated the authority by FEMA to execute and/or administer this instrument.

(2) Amendments

This instrument may be amended at any time by a written modification. Amendment which reflects the rights and obligation of either party shall be executed by both the Government and the recipient. Administrative amendment that do not change the Project Description or impact cost of delivery may be issued unilaterally by the AO.

(3) Cash Depositories

(1) Any money advanced to the recipient under the terms of this instrument must be deposited in a bank with Federal Deposit Insurance Corporation (FDIC) insurance coverage and the balance exceeding the FDIC coverage must be collaterally secured.
(2) Consistent with the national goal of expanding opportunities for minority business enterprises, the recipient and its sub-recipients are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members. A list of minority owned banks can be obtained from the Office of Minority Business Enterprise, Department of Commerce, Washington, D. C. 20202.

(4) Retention and Custodial Requirements for Records

(1) Financial records, supporting documents, statistical records and all other records pertinent to this instrument shall be retained for a period of three years, with the following exceptions:

i. If any litigation, claim or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation claims or audit findings involving the records have been resolved.

ii. Records for nonexpendable property, if any, required with Federal funds shall be retained for three years after its final disposition.
iii. When records are transferred to or maintained by FEMA, the 3-year retention requirement is not applicable to the recipient.

(2) The retention period starts from the date of the submission of the final expenditure report.
(3) The recipient may be authorized by the AO to substitute microfilm copies for original records.
(4) FEMA will request transfer of certain records to its custody from the recipient when it determines that the records possess long-term retention value. The recipient shall make such transfers as requested. However, to avoid duplicate recordkeeping, FEMA may make arrangements with the recipient to retain records at the point of use, for those that are continuously needed during the progress of the work.
(5) The Director of FEMA and the Comptroller General of the United States or any of their duly authorized representatives shall have access to any pertinent books, documents, papers, and records of the recipient and its subcontractors, to make audits, examinations, excerpts and transcripts.

(5) Allowable Cost

(1) For the performance of the work under this instrument, FEMA shall pay the recipient: The cost (hereafter referred to as "allowable cost") determined by the AO to be allowable, allocable and reasonable in accordance with the following and with the terms of this instrument:
1. For colleges and universities: OMB Circular A-21 (FMC 73-8);
2. For State and local governments: OMB Circular A-87 (FMC 74-4);
3. For other nonprofit organizations: OMB Circular A-122 (Federal Procurement Regulations Part 15, Subpart 2):
4. For all other recipients: Federal Procurement Regulations Part 15, Subpart 2.

(6) Program Income

(1) Program income is gross income earned by the recipient from Federally supported activities. Such earnings exclude interest earned on advances and may include, but will not be limited to, income from service fees, and royalties on patents and copyrights.
(2) Interest earned on advances under this instrument shall be remitted to FEMA except for interest earned on advances to recipients who are States or instrumentalities of a State as provided by the intergovernmental Cooperation Act of 1968 (P. L. 90-577) or tribal organizations pursuant to Section 102, 103, or 104 of the Indian Self-Determination Act (P. L. 93-638).
(3) The recipient shall account for all program income which results from this instrument.
(4) Proceeds from the sale of real or personal property either provided by the Federal government or purchased in whole or in part with Federal funds shall be handled in accordance with the General Provision entitled, "Property Management Standards."
(5) Unless provided otherwise in this instrument, the recipient shall have no obligation to the Federal government with respect to royalties received as a result of copyrights or patient produced under this instrument.
(6) All other program income earned during the project period shall be retained by the recipient and unless stated otherwise in this instrument, shall be deducted from the total project costs in determining the net costs on which the Federal share of costs will be based.

(7) Financial Management Systems

The recipient shall maintain a financial management system that provides for the following:

(1) Accurate, current, and complete disclosure of the financial results of this instrument in accordance with the General Provision entitled "Financial Reporting Requirements".

(2) Records that identify adequately the source and application of funds for Federally supported activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays and income.

(3) Effective control over and accountability for all funds, property and other assets.

(4) A comparison or actual outlays with budgeted amounts and the relationship of specific performance to costs incurred.

(5) Procedures to minimize the time elapsing between the transfer of funds to the recipient and disbursement by the recipient when advances or letters-of-credit are used.

(6) Procedures for determining reasonableness, allowability and allocability of costs in accordance with provisions of the applicable Federal cost principles and the terms of this instrument.

(7) Accounting records that are supported by source documentation.

(8) Examinations in the form of audits including internal audit. Such audits shall be made by qualified individuals who are sufficiently independent of those who authorize the expenditure of Federal funds to produce unbiased opinions, conclusions or judgments. They shall meet the independence criteria set forth in Chapter 3, Part 3, of the U. S. General Accounting Office publication, "Standards for Audit of Government Organizations Programs, Activities, and Functions." These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms of condition of the instrument.

It is not intended that each Federal Agreement awarded to the recipient be separately examined. Generally, examinations shall be conducted on an organization-wide basis to test the fiscal integrity of financial transactions as well as compliance with the terms and conditions of Federal Agreements. Such tests shall include an appropriate sampling of Federal Agreements. Examinations shall be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. The frequency of these examinations shall depend upon the nature, size and the complexity of the activity. The examinations do not relieve Federal agencies of their audit responsibilities but may affect the frequency and scope of such audits (See General Provision entitled, "Audit Requirement" for more detailed requirement for A-102 recipients.)

The recipient shall make the results of such audits available to the Government upon request and/or with the final voucher submitted under grants or cooperative agreements.

(9) A systematic method to assure timely and appropriate resolution of audit findings and recommendations.

The recipient shall require its sub-recipients to adopt the standards above except for

the requirements in subparagraph (5) regarding the use of the letters-of-credit method and that part of subparagraph (1) regarding reporting forms and frequencies prescribed in the General Provisions entitled "Financial Reporting Requirements".

(8) Financial Reporting Requirements

(1) Recipients shall submit an original and two copies of Financial Status Report (Standard Form 26) 30 days after the completion of each quarter of the project with the exception of a final Financial Status Report which shall be due 90 days after project completion. All reports should be prepared on an accrual basis; however, if the recipient's accounting records are not normally kept on the accrual basis, the recipient shall not be required to convert its accounting system, but shall develop such information through best estimates based on an analysis of the documentation on hand. Reports should be submitted to the AO.

(2) In the event this instrument provides for advances to the recipient the recipient shall submit original and two copies of a Federal Cash Transaction Report (Standard Form 272) 15 working days following the end of each quarter.

(3) The recipient shall use the Request for Advance or Reimbursement (Standard Form 270) when a Letter of Credit is not authorized by this instrument. An original and two copies shall be submitted not more often than monthly to the designated office.

(9) Monitoring and Reporting Program Performance

(1) Recipients shall constantly monitor their performance under this grant or cooperative agreement to assure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. This review shall be made for each program, function, or activity in accordance with the requirements set forth in the Schedule.

(2) Recipients shall submit a quarterly report which includes a brief summary of progress to date, a description of any problem that may impede performance along with proposed corrective action, schedule status of work for subsequent months and the Financial Status Report (or request for advance or reimbursement if used in lieu of the Financial Status Report) required by the General Provision entitled "Financial Reporting Requirement". The report is to be submitted by the 15th day after the end of each 3-month period. No report need be submitted for the final 3 months as they will be covered the final progress review and/or report which will be submitted 3 months after project completion.

(3) Between the required performance reporting dates, events may occur that have significant impact upon the project or program. In such instances, the recipient shall inform the AO and program office as soon as the following types of conditions become known:

i. Problems, delays, or adverse conditions that will materially affect the ability to attain program objective, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated and any Federal assistance needed to resolve the situation.

ii. Favorable developments or events that enable time schedule to be met sooner than anticipate or more work units to be produced than originally projected.

(4) If any performance review conducted by the recipient discloses the need for change in the budget estimates in accordance with the criteria established in the

General Provision entitled "Budget Revision Procedures," the recipient shall submit a request for budget revision.

(10) Budget Revision Procedures

(1) The budget is the approved financial plan for both the federal and non-Federal shares to carry out the purpose of the instrument. This plan is the financial expression of the project or program as approved during the application and award process. It should be related to performance for program evaluation purposes whenever appropriate and required.

(2) FEMA shall not be obligated to reimburse the recipient for outlays (costs) in excess of the Federally funded amount of the instrument unless and until the AO executes an amendment to the instrument which increases the Federally funded amount. The Federally funded amount is the amount obligated on the instrument which may be less than or equal to the budgeted Federal share of the instrument.

(3) This paragraph (3) is applicable only if the recipient is a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102). Recipients shall request prior approvals promptly to the AO when there is reason to believe that a revision will be necessary for any of the following reasons:

i. Changes in the scope or the objective of the project or programs:
ii. The need for additional Federal funding:
iii. The revisions which pertain to the addition of terms requiring approval in accordance with the provisions of OMB Circular A-87.
iv. Recipients plan to transfer funds allotted for training allowances (direct payments to trainees) to other categories of expense:

(4) This paragraph (4) is applicable only if the recipient is *not* a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102):

(i) Recipients shall request prior approvals promptly from the AO when there is reason to believe that a revision will be necessary for any of the following reasons:
(A) Changes in the scope of the objective of the project or program.
(B) The need for additional Federal funding:
(C) Expenditures that require approval in accordance with applicable cost principles:
(D) Recipients plan to transfer funds allotted for training allowances (direct payments to trainees) to other categories of expense.

ii. None of the substantive programmatic work under this instrument may be subcontracted or transferred without prior approval of the AO. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(5) This paragraph (5) is applicable only if specifically required elsewhere in this instrument. The recipient shall not transfer, without the written approval of the AO, funds among cost categories when the cumulative amount of such transfers exceeds or is expected to exceed five percent of the total budget as last approved by the AO. This same criteria shall apply to the cumulative amount of transfers among programs, functions, and activities or "line items" when budgeted separately for an award, except that FEMA shall permit no transfer that would cause any Federal appropriation, or part thereof, to be used for purposed other than those intended.

(6) Recipients shall notify the AO promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient by more than $5,000 or five percent of the Federal award, whichever is greater.
(7) When requesting approval for budget revisions, recipients shall use the budget forms that were used in the application unless another format is authorized by the AO.
(8) Within 30 days from the date of receipt of the request for budget revisions, the AO shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 days, the AO shall inform the recipient in writing as to when the recipient may expect the decision.

(11) Closeout Procedures

(1) The following definitions shall apply:
Closeout – The closeout of this instrument is the process by which FEMA determines that all applicable administrative actions and all required work of the instrument have been completed by the recipient and FEMA.
Date of completion – The date on which all work under the instrument is completed or the date in the award document or any supplement or amendment thereto (including termination notices subject to the General Provision entitled, "Suspension and Termination Procedure"), on which Federal assistance ends.
Disallowed costs – Disallowed costs are those charges to the instrument that the AO determines to be unallowable in accordance with the applicable Federal cost principle or other conditions contained in the instrument.
(2) The parties shall close out this instrument in accordance with the following procedures:
i. Upon request FEMA shall make prompt payments to a recipient for allowable reimbursable costs under the instrument being closed out.
ii. The recipient shall immediately refund any balance of unobligated (unencumbered) funds that FEMA has advanced or paid and that is not authorized by FEMA to be retained by the recipient for use in other instruments.
The AO shall initiate a request for refund if the recipient does not forward the balance within 90 days.
iii. The recipient shall submit to the AO within 90 days after completion of this instrument all financial and other data required as a condition of this instrument. The AO grant extensions when requested by the recipient.
iv. The AO shall make a settlement for any upward or downward adjustments to the Federal share of costs after these reports are received.
v. The recipient shall account for any property acquired with Federal funds or received from the Government, in accordance with the provisions of the General Provision entitled, "Property Management Standards."
vi. In the event a final audit has not been performed prior to the closeout of the instrument, FEMA shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

(12) Suspension and Termination Procedures

(1) The following definitions shall apply:
Termination - Termination of this instrument means the cancellation of further Federal assistance, in whole or in part, under the instrument at any time prior to

the date of completion.

Suspension – The suspension of this instrument is an action by the AO that temporarily suspends Federal assistance under the instrument pending corrective action by the recipient or pending a decision to terminate the instrument by FEMA.

(2) When the recipient has failed to comply with the terms, conditions, or standard to the instrument, the AO may, on reasonable notice to the recipient, suspend the instrument and withhold further payments or prohibit the recipient from incurring additional obligations of funds, pending corrective action by the recipient or a decision to terminate in accordance with paragraph (c). The AO shall allow all necessary and proper costs that the recipient could not reasonably avoid during the period of suspension, provided that they meet the provision of the applicable Federal cost principles.

(3) This instrument may be terminated for cause or convenience.

i. Termination for cause – The AO may terminate this instrument in whole or in part at any time before the date of completion, whenever it is determined that the recipient has failed to comply with the conditions of the instrument. The AO shall promptly notify the recipient in writing of the determination and the reasons for the termination, together with the effective date. Payments made to the recipient or recoveries by FEMA in the event this instrument is terminated for cause shall be in accordance with the legal rights and liabilities of the parties.

ii. Termination for convenience – This instrument may be terminated in whole or in part, when both parties agree that the continuation or the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and in the case of partial terminations, the portion to be terminated. The recipient shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The AO shall allow full credit to the recipient for the Federal share of the noncancellable obligations properly incurred by the recipient prior to termination.

(4) The parties shall promptly settle the terminated instrument in accordance with the applicable requirements of the General Provision entitled "Closeout Procedures." In addition, the parties shall execute upon settlement a written amendment setting forth the terms and conditions of the settlement agreement.

(13) Property Management Standards

(1) The following definitions apply for the purpose of this clause.

Real property – Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

Personal property – Personal property means property of any kind except real property. It may be tangible – such as equipment, or intangible – such as patents, inventions and copyrights.

Nonexpendable personal property – Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of $300 or more per unit except that recipients subject to Cost Accounting Standards Boards regulations may use the CASB stated of $500 per unit and useful life of two years. A recipient may use its own definition of nonexpendable personal property provided that the definition would at least

include all tangible personal property as defined above.

Expendable personal property – Expendable personal property refers to all tangible personal property other than nonexpendable property.

Excess property – Excess property means property under the control of any Federal agency that as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.

Acquisition cost of purchased nonexpendable personal property – Acquisition cost of an item or purchased nonexpendable personal property means the new invoice unit price of the property including the cots of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

Exempt property – Exempt property means tangible personal property acquired in whole or in part with Federal funds, title to which is vested in the recipient without further obligation to the Federal Government except as provided in subparagraph (4)(I) below. Such unconditional vesting of title will pursuant to any Federal Legislation that provides FEMA with adequate authority.

(2) Real property – If real property is acquired as a requirement of this instrument, the following shall apply:
   i. Title to real property shall vest in the recipient, subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed.
   ii. The recipient shall obtain approval by FEMA for the use of real property in other projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under other Federally sponsored projects. (i.e., grants or other agreements) or programs that have purposes consistent with those authorized for support by FEMA.
   iii. When the real property is no longer needed as provided in subparagraphs (i) and (ii) above, the recipient shall request disposition instructions from FEMA or its successor Federal sponsoring agency.

(3) Federally owned nonexpendable personal property – Title to Federally owned property remains vested in the Federal Government. The recipient shall submit annually an inventory listing of Federally owned property in the custody to FEMA. Upon completion of the effort covered by they instrument or when the property is no longer needed, the recipient shall report the property as being available to FEMA for further agency use.

(4) Other nonexpendable property – When other nonexpendable tangible personal property is acquired by a recipient with project funds, title shall vest in the recipient subject to the following conditions:
   i. Right to transfer title – For items of nonexpendable personal property having a unit acquisition cost of $1,000 or more. FEMA reserves the right to transfer the title to the Federal Government or a third party.

(5) Use of other tangible nonexpendable property for which the recipient has title.
   i. The recipient shall use the property in the project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original project or program, the recipient shall use the property in connection with its other

Federally sponsored activities if authorized by FEMA.

ii. Shared use – During the time that nonexempt nonexpendable personal property is held for use on the project or program for which it was acquired, the recipient shall make it available for use on other project or programs if such other use will not interfere with the work on that project. First preference for such other use shall be given to other projects or programs sponsored by FEMA; or to programs sponsored by other Federal agencies. If the property is owned by the Federal Government, use for other activities not sponsored by the Federal Government shall be permissible if authorized by FEMA.

(6) Disposition of other nonexpendable property – When the recipient no longer needs the property as provide in (5) above, the property may be used for there activities in accordance with the following standards:

i. Nonexpendable personal property with a unit acquisition cost of less than $1,000 – The recipient may use the property for other activities without reimbursement to FEMA or sell the property and retain proceeds.

ii. Nonexpendable personal property with a unit acquisition cost of $1,000 or more – The recipient may retain the property for other uses provided that compensation is made to FEMA. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the property. If the recipient has no need for the property and the property has further use value, the recipient shall request disposition instructions from FEMA.

(7) Property management standards for nonexpendable property – The recipient's property management standards for nonexpendable personal property shall include the following procedural requirements:

i. Property records shall be maintained accurately and shall include:

A. A description of the property;

B. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;

C. Source of property, including grant or other agreement number;

D. Whether title vests in the recipient or the Federal Government;

E. Acquisition date (or date received, if the property was furnished by the Federal Government) and cost;

F. Percentage (at end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired. (Not applicable to property furnished by the Federal Government);

G. Location, use and condition of the property and the date the information was reported;

H. Unit acquisition cost;

I. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal sponsoring agency for its share.

ii. Property owned by the Federal Government must be marked to indicate Federal ownership.

iii. A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determining the cause of the difference. The recipient shall, in connection with the inventory, verify the existence, current use, and continued need for the property.

iv. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented; if the property is owned by the Federal Government, the recipient shall promptly notify FEMA.
v. Adequate maintenance procedures shall be implemented to keep the property in good condition.
vi. Where the recipient is authorized or required to sell the property, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(8) Expendable personal property – Title to expendable personal property shall vest in the recipient upon acquisition. If there is a residual inventory of such property exceeding $1,000 in aggregate fair market value upon termination or completion of the instrument and the property is not needed for any other Federally sponsored project or program, the recipient shall retain the property for use on nonfederally sponsored activities or sell it, but must in either case compensate FEMA for its share. The amount of completions shall be computed in the same manner as for nonexpendable personal property.

i. Intangible property

A. Inventions and patents – If any program produces patentable items, patent rights, processes, or inventions in the course of work sponsors by the Federal Government, such fact shall be promptly and fully reported to FEMA. Unless there is a prior agreement between the recipient and FEMA on disposition of such items, FEMA shall determine whether protection of the invention or discovery shall be sought. FEMA will also determine how the rights in the inventory or discovery - including rights under any patent issued thereon - shall be allocated and administered in order to protect the public interest consistent with current Government Patent Policy.

B. Copyrights – Except as otherwise provided in the terms and conditions of this instrument, the author or the recipient organization is free to copyright any books, publications, or other copyrightable materials developed in the course or under the instrument. FEMA hereby reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish or otherwise use and to authorize other to use, the work for Government purposes.

(14) Procurement Standards

(1) All recipients shall adhere to the following standards:

i. The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using Federal funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which Federal funds are used where, to his knowledge, he or his immediate family, partners, or an organization in which he or his immediate family or partner has a financial interest, real or apparent, or other interest in the firm selected for award. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of substantial monetary value from contractors or potential contractors. To the extent permissible by State and local laws, rules and regulations, such standards shall provide for disciplinary actions to be applied for violations of such by the

recipients' officers, employees or agents.

ii. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade, in order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the bidder/offeror must fulfill in order for his/her bid/offer to be evaluated by the recipient. Any and all bids/offers may be rejected when it is in the recipient's interest to do so.

iii. All recipients shall establish procurement procedures that provide for, at a minimum, the following procedural requirements.

(A) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical, practical procurement.

(B) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand name or equal" descriptions may be used as a means to define the "Brand," performance, or other salient requirements or procurement; and, when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

(C) Positive efforts shall be made by the recipient to use small business and minority-owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts using Federal funds.

(D) The type of procuring instruments used, e.g., fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate to the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(E) Contracts shall be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration should be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(F) Review and approval by the AO at the recipient's proposed contracts and related procurement documents is required when the procurement is expected to exceed $10,000 and is to be awarded without competition or any one bid or other is received, the procurement is expected to exceed $10,000 and specifies a "brand name product," or the recipient's procedures or operation fails to comply with this 13/32(n). The provisions of this paragraph are waived in the event the recipient's procurement

system has been certified in accordance with the Office of Federal Procurement Policy.

(G) Some form of price or cost analysis should be made in connections with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element at cost to determine reasonableness, allocability and allowability. Costs or prices based on estimated costs for contracts under this instrument shall be allowed only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles.

(H) Procurement records and files for purchases in excess of $10,000 shall include the following:

(1) Basis for contractor selection;
(2) Justification for lack of competition when competitive bids or offers are not obtained;
(3) Basis for award cost or price;
(4) Rationale for the method of procurement; and
(5) Selection of contract type.

(I) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases.

(2) If the recipient of the instrument is a State or local government or other entity as defined in OMB Circular A-102, it shall adhere to the following standards:

i. Contracting with Small and Minority Firms, Women-Owned Business Enterprises and Labor Surplus Area Firms.

(A) Affirmative steps must be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps shall include the following:

(1) Including qualified small and minority businesses on solicitation lists;
(2) Assuring that small and minority businesses are solicited whenever they are potential sources;
(3) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation but not to avoid requirements applicable to purchases in excess of $10,000;
(4) Where the requirement permits, establishing delivery schedules which will encourage participation by small and minority businesses;
(5) Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce and the Community Services Administration as required;
(6) If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in 1 through 5 above.

(B) Recipients shall take similar appropriate affirmative action in support of women-owned business enterprises.

(C) Recipients are encouraged to procure goods and services from labor surplus areas.

ii. Procurement under this instrument shall be made by one of the

following methods, as described herein: (a) small purchase procedures; (b) competitive sealed bid (formal advertising); (c) competitive negotiations; (d) noncompetitive negotiation.

(A) Small purchase procedures are those relatively simple and informal procurement methods that are sound and appropriate for a procurement of services, supplies or other property, costing in the aggregate not more than $10,000. Recipients shall comply with State or local small purchase dollar limits under $10,000. If small purchase procedures are used for procurement under this instrument, price or rate quotations shall be obtained from an adequate number of qualified sources.

(B) In competitive sealed bids (formal advertising), sealed bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is lowest in price.

(1) In order for formal advertising to be feasible, appropriate conditions must be present, including, as a minimum, the following:

i. specification or purchase description is available.

ii. Two or more responsible suppliers are willing and able to compete effectively for the grantee's business.

iii. The procurement lends itself to a firm-fixed-price contract, and selection of the successful bidder can appropriately be made principally on the basis of price.

(2) If formal advertising is used for a procurement under this instrument, the following requirements shall apply:

i. A sufficient time prior to the date set for opening of bids, bids shall be solicited from an adequate number of known suppliers. In addition, the invitation shall be publicly advertised.

ii. The invitation for bids, including specifications and pertinent attachments, shall clearly define the items or services needed in order for the bidders to properly respond to the invitation.

iii. All bids shall be opened publicly at the time and place stated in the invitation for bids

iv. A firm-fixed-price contract award shall be made by written notice to that responsible bidder whose bid, conforming to the invitation for bids, is

lowest. Where specified in the bidding documents factors such as discounts, transportation costs and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine low bid when prior experience of the recipient indicates that such discounts are generally taken.

v. Any or all bids may be rejected when there are sound documented business reasons in the best interests of the program.

(C) In competitive negotiation, proposals are requested from a number of sources, and the Request for Proposal is publicized, negotiations are normally conducted with more than one of the sources submitting orders, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:

(1) Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirements of the procurement. The Request for Proposals shall be publicized and reasonable requests by other sources to compete shall be honored to the maximum extent practicable.

(2) The request for proposal shall identify all significant evaluation factors, including price or cost where required and their relative importance.

(3) The recipient shall provide mechanisms for technical evaluation of the proposals received, determination or responsible offerors for the purpose of written or oral discussions, and selection for contract award.

(4) Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly.

(5) Grantees may utilize competitive negotiation procedures for procurement of Architectural/Engineering professional services, whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

(D) Noncompetitive negotiation is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Noncompetitive negotiation may be used when the award of a contract is infeasible under small purchase, competitive bidding (formal advertising) or competitive negotiation procedures. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:

(1) The item is available only from a single source;
(2) Public exigency or emergency when the requirement will not permit a delay incident to competitive solicitation;
(3) FEMA authorizes noncompetitive negotiation; or
(4) After solicitation of a number of sources, competition is determined inadequate.

(E) In order to foster greater economy and efficiency, recipients are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(F) The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. These provisions shall also be applied to subcontracts.

(1) Contracts in excess of $10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.
(2) All contracts in excess of $10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
(3) In all contracts for construction or facility improvement awarded for more than $100,000, recipients shall observe the bonding requirements provided below:

FEMA may accept the bonding policy and requirements of the recipient provided it has made a determination that the Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(A) A bid guarantee from each bidder equivalent to five percent of the bid price. The "guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contract documents as may be required within the time specified.

(B) A performance bond on the behalf of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(C) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) All contracts awarded by recipient and its contractors or subgrantees having a value of more than $10,000 ($5,000 Federal share or grants), shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of $2,000 for construction or repair awarded by recipient and subrecipients shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874 as supplemented in Department of Labor regulations 29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to FEMA.

(6) When required by the Federal program legislation, all construction contracts awarded by the recipient and subrecipients of more than $2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor

regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the AO.

(7) Where applicable, all contracts awarded by recipient in excess of $2,000 for construction contracts and in excess of $2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard workday of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 8 hours in any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous to his/her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market; contracts for transportation; or transmission of intelligence.

(8) Contracts or agreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the field of science or technology in which there

has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions, patents, copyrights, rights in data and materials generated under the contract or agreements are subject to the regulations issued by FEMA and the recipient.

(9) All negotiated contracts (except those of $10,000 or less) awarded by recipients shall include a provision to the effect that the recipient, FEMA, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions. Recipients shall require contractors to maintain all required records for three years after the recipient makes final payment and all pending matters are closed.

(10) Contracts and subgrants or amounts in excess of $100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended. Violations shall be reported to FEMA and the Regional Office of the Environmental Protection Agency.

(11) If the recipient is a State or local government, contracts shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (P.L. 94-163).

(15) Audit Requirements

(1) This provision is applicable only if the recipient is a State, local, or Federally recognized Indian tribal government (as defined by OMB Circular A-102).

(2) Cognizant agency is defined as a Federal agency that is assigned audit responsibilities for a particular recipient organization by the Office of Management and Budget.

(3) Recipients shall use their own procedures to arrange for independent audits, and to prescribe the scope of audits, provided that the audits comply with the requirements set forth below. Where contracts are awarded for audit services, the contracts shall include a reference to this provision.

(4) The provisions of this article do not limit the authority of FEMA to make audits of recipient organizations. However, if independent audits arranged for by recipients

meet the requirements prescribed below, FEMA shall rely on them, and any additional work shall build upon the work already done.

(5) Audits shall be made in accordance with the General Accounting Office, "Standards for Audit of Governmental Organizations, Programs, Activities and Functions," the Guidelines for Financial and Compliance Audits of Federally Assisted Programs, any compliance supplements approved by OMB, and generally accepted auditing standards established by the American Institute of Certified Public Accountants.

(6) Audits shall include, at a minimum, an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of Federal funds, financial transactions and accounts, and financial statements and reports of recipient organizations. These examinations are to determine whether:

i. There is effective control over and proper accounting for revenues, expenditures, assets, and liabilities.
ii. The financial statements are presented fairly in accordance with generally accepted accounting principles.
iii. The Federal financial reports (including Financial Status Report, Cash Reports, and claims for advances and reimbursements) contain accurate and reliable financial data; and are presented in accordance with the terms of this instrument, and in accordance with the General provision entitled, "Financial Reporting Requirements," of this instrument.
iv. Federal funds are being expended in accordance with the terms of applicable agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements or on the awards tested.

(7) In order to accomplish the purposes set forth above, a representative number of charges to Federal awards shall be tested. The test shall be representative of (1) the universe of Federal awards received, and (2) a cost categories that materially affect the award. The test is to determine whether the charges:

i. Are necessary and reasonable for the proper administration of the program.
ii. Conform to any limitations or exclusions in the award.
iii. Were given consistent accounting treatment and applied uniformity to both Federally assisted and other activities of the recipient.
iv. Were net of applicable credits.
v. Did not include costs properly chargeable to other Federally assisted programs.
vi. Were properly recorded (i.e., correct amount, date) and supported by source documentation.
vii. Were approved in advance, if subject to prior approval in accordance with OMB Circular A-87.
viii. Were incurred in accordance with competitive purchasing procedures, as set forth in "Procurement Standards" (13.32(n)).
ix. Were allocated equitably to benefiting activities, including non-Federal activities.

(8) Audits usually will be made annually, but not less frequently than every two years.

(9) If the auditor becomes aware of irregularities in the recipient organization, the auditor shall promptly notify the cognizant agency and recipient management officials above the level of involvement. Irregularities include such matters as conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets.

(10) The audit report shall include:

i. Financial statements including footnotes, of the recipient organization.
ii. The auditor's comments on the financial statement which should:
(A) Identify the statements examined and the period

(B) Identify the various programs under which the organization received Federal funds, and the amount of the awards received
(C) State that the audit was done in accordance with the standards in paragraph 13.32 (g)(8).
(D) Express an opinion as to whether the financial statements are fairly presented in accordance with generally accepted accounting principles. If an unqualified opinion cannot be expressed, state the nature of the qualification.

iii. The auditor's comments on compliance and internal control which should:
(A) Include comments on weaknesses in and noncompliance with the systems of internal control, separately identifying material weaknesses.
(B) Identify the nature and impact of any noted instances of noncompliance with the terms of agreements and those provisions of Federal law or regulations that could have a material effect on the financial statements and reports.
(C) Contain an expression of positive assurance with respect to compliance with requirements for tested items, and negative assurance for untested items.

iv. Comments on the accuracy and completeness of financial reports and claims for advance or reimbursement to Federal agencies.

v. Comments on corrective action taken or planned by the recipient.

(11) Work papers and reports shall be retained for a minimum or three years from the date of the audit report unless the auditor is notified in writing by the cognizant agency of the need to extend the retention period. The audit work papers shall be made available upon request to the cognizant agency or it's designees and the General Accounting Office or its designees.

(12) Recipients shall require subrecipients that are State and local governments or Indian tribal governments to adopt the requirements of paragraphs ("1") through ("11") above. The recipient shall ensure that the subrecipient audit reports are received as required and shall submit the reports to the cognizant agency.

(16) Other Administrative Provisions

The recipient agrees that:

(1) It shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and in accordance with Title VI of that Act, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the recipient receives Federal financial assistance and shall immediately take any measures necessary to effectuate this Agreement.

(2) It shall comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) prohibiting employment discrimination where (a) the primary purpose of an instrument is to provide employment of (b) discriminatory employment practices will result in unequal treatment of persons who are or should be benefiting from the grant-aided activity.

(3) It shall comply with the provisions of the Age Discrimination Act of 1975, and in accordance with that Act, shall prohibit discrimination on the basis of age.

(4) It shall comply, to the extent applicable, with Title IX of the Education Amendments of 1972, 20 U.S.C. 1681, et. seq., which provides that no person in the United States shall, on the basis of sex; be excluded from participating in, be denied the benefits of, or be subjected to discrimination under any educational programs or activity receiving Federal financial assistance.

(5) It shall comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d, P.L. 93-112), and all requirements imposed by or pursuant to the regulations of the Department of Health, Education and Welfare (45 CFR Parts 80, 81, and 84), promulgated under the foregoing statute. It agrees that, in accordance with the foregoing requirements, no otherwise qualified handicapped person, by reason of handicap, should be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, and that it shall take any measures necessary to effectuate the Agreement.

(6) It shall establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others; particularly those with whom they have family, business, or other ties.

(7) It shall comply with the flood insurance purchase requirements of Section 102(a) of the Federal Disaster Protection Act of 1973. P.L. 93-234, 87 Stat. 975, approved December 13, 1975, which call for the chase of flood insurance in communities where such insurance is available as a condition for the receipt of Federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards.

The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment or subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

(8) It will comply with provisions of Executive Order 11288, relating to the prevention, control, abatement of water pollution.

(9) It shall assist FEMA in its compliance with Executive Order 11988, Flood Plain Management which requires avoidance, to the extent possible, of the long- and short-term adverse impact associated with the occupancy and modification of floodplains and to avoid the direct or indirect support of floodplain development whenever there is a practicable alternative.

(10) It shall ensure, pursuant to Executive Order 11738, that the facilities under its ownership, lease or supervision, which shall be utilized in the accomplishment of the instrument are not listed on the Environmental Protection Agency (EPA) list of violating facilities and that it shall notify FEMA of the receipt of any communications from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.

(11) It shall comply with the provisions of the National Environmental Policy Act of 1969. (P. L. 91-190), and Executive Order 11514, as amended by Executive Order 11991, which promotes efforts to prevent or eliminate damage to the environment and biosphere and requires an Environmental Impact Statement when plans and programs may affect the quality of the environment.

(12) It shall comply, to the extent applicable, with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by P.L. 91-604) and Section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by P.L.. 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in Section 114 and Section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder.

(13) It shall assist FEMA in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.C. 470), Executive Order 11593, and

the Archeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et. seq.) by (a) consulting with the State Historic Preservation Officer on the conduct of investigations, as necessary, to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying the Federal grantor agency of the existence of any such properties, and by (b) complying with all requirements established by FEMA to avoid or mitigate adverse effects upon such properties.

(14) It shall comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act (29 U.S.C. 201), as they apply to employees of institutions of higher education, hospitals, and other nonprofit organizations.

(15) It shall comply with requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (P.L. 91-648; 42 U.S.C. 4601 et. seq.) which provides for fair and equitable treatment of persons displaced as a result of Federal and Federally assisted programs.

The following assurances apply to State and Local Government recipients (A-102):

(16) It shall comply with the provisions of the Hatch Act which limits the political activity of employees.

(17) It will comply with all requirements imposed by the Federal grantor agency concerning special requirements of law, program requirements, and other administrative requirements approved in accordance with A-102.

The following assurances are applicable when construction requirements are present:

(18) It will have sufficient funds available to meet the non-Federal share of the cost for construction projects. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.

(19) It will require the facility to be designed to comply with the "American Standard Specification for making Building and Facilities Accessible to, and Usable by the Physically Handicapped," number A117.1-1961, as modified. (41 CFR 101-17.703). The applicant will be responsible for conducting the inspections to ensure compliance with these specifications by the contractor.

(20) It will obtain approval by the appropriate Federal agency on the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate Federal agency for prior approval changes that alter the costs of the project, use or space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.

(21) It will cause work on the project to be commended within a reasonable time after receipt of notification from the approving Federal agency that funds have been approved and that the project will be prosecuted to completion within reasonable diligence.

(22) It will not dispose of or encumber its title or other interests in the site and facilities during the period of Federal interest or while the Government holds bonds, whichever is the longer.

(23) It will provide and maintain competent and adequate architectural engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications; that it will furnish progress

reports and such other information as the Federal grantor agency may require.

(24) It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable Federal, State and local agencies for the maintenance and operation of such facilities.

Exhibit D

Guidelines for Property Acquisition Projects

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) mandates that property owners receive just compensation for their property and relocation assistance from Federal acquisition programs. The URA also sets specific time limits and places other requirements on the acquiring agency. There are exceptions to the provisions of the URA, however, for voluntary transactions which meet the specific criteria found at 49 CFR Part 24.101 (a). This exception requires that the acquiring agency (subgrantee) inform the property owner in writing:

a. That it will not use its power of condemnation to acquire the property in the event negotiations fail; and
b. What it believes to be the fair market value of the property.

FEMA recommends that the property owner and the subgrantee sign a Voluntary Transaction Agreement to ensure that the property owner understands that they are not automatically eligible for additional relocation benefits beyond the purchase price of the property.

For each property identified for acquisition, the subgrantee should establish and document a fair market value. The value must be derived from a reasonable methodology that has been consistently applied throughout the community, such as independent appraisals, opinions of value, or a formula based on tax assessments. FEMA should coordinate with the State and the subgrantee in their determination of whether the valuation should be based on pre- or post-flood market value. However, all appraisals in a given community (ie. the FMA project area) should be based on the same terms.

The acquiring entity (subgrantee) should inform each property owner of what it considers to be the fair market value of the property. The subgrantee may wish to set a time limit with the property owner for the validity of a purchase offer. The subgrantee must conduct a title search for each property to ensure that there are no mortgagees or liens outstanding at the time of sale. The grant agreement should include this stipulation.

Tenants who must relocate as a result of acquisition of their housing are entitled to URA relocation benefits (such as moving expenses, replacement housing rental payments, and relocation assistance advisory services) regardless of the owner's voluntary participation. For details on these requirements, see 49 CFR Part 24, Subpart C.

Title to the property is treated in one of two ways, depending upon the scope of the project:

1) Full title is acquired or accepted by the subgrantee; or
2) The subgrantee acquires all development rights to the property, with the original owner retaining only the right to make use of the property for farming or quiet enjoyment.

The subgrantee will seek the approval of the Board (grantee) and the FEMA Regional Director before conveying ownership of the property to any other party. All development rights to the property must be retained by the subgrantee. The FEMA Regional Director will only approve the transfer of properties that meet the criteria identified above.

As a condition of receiving the grant, the applicant (subgrantee) shall enter into an agreement with the grantee that assures:

a) the property acquired, accepted, or from which structures are removed must carry a permanent deed restriction providing that the property be maintained for open space, recreational, or wetlands management purposes only;

b) the deed restriction must also stipulate that no future disaster assistance for any purpose from any Federal source will be sought or provided with respect to the property (insurance claims such as NFIP and Federal Crop Insurance are not considered disaster assistance);

c) the deed restriction must also stipulate that no new structures will be erected on the property other than a public facility that is open on all sides or is a rest room and is functionally related to open space (structures that are walled on all sides must meet NFIP minimum requirements);

d) in fee simple transactions, the deed restriction must also stipulate that the new titleholder must obtain the approval of the Board (grantee) and the FEMA Regional Director before conveying ownership of the property to another public entity. Property transfer to private citizens and corporations will not be approved. All development rights to the property must be retained by the subgrantee or other public entity;

e) the subgrantee shall ensure that all structures be removed from the property within 90 days of closing and disposed of in accordance with applicable laws. The FEMA Regional Director can grant an exception to this requirement if extenuating circumstances exist; and

f) the subgrantee accepts responsibility for monitoring and enforcing the deed restrictions and/or easement language.

If any parts of the structure are sold for salvage value, this amount is deducted from the total cost of the project. The subgrantee (or whoever holds legal title to the property) must provide for the continued maintenance of the property once the initial debris removal, vegetative site stabilization, and new landscaping are complete.

The FEMA Regional Director may approve (on a case-by-case basis) the erection of structures which do not meet the criteria above *before* commencement of construction. However, the structure must be constructed in compliance with the community's floodplain management ordinance, meet NFIP minimum requirements, and be compatible with open space uses and floodplain management policies and practices.

Exhibit E

Task Budget

Task	Description	Total Budget
Task 1	Administration, appraisal, title search & closing	$42,614.90
Task 2	Site acquisition (17 properties)	$7,321,970.04
Task 3	Structure demolition	$2,976,480.02
Task 4	Tenant or inhabitant relocation assistance	$1,612,500.00
Total		**$11,953,564.96**

Expense Budget

Expense Category	Total Budget
Salaries and Wages[1]	$0.00
Fringe[2]	$0.00
Travel	$0.00
Subcontractor (demolition)	$2,976,480.02
Other Expenses[3]	$0.00
Overhead[4]	$0.00
Property buyout[5]	$8,977,084.94
Profit	$0.00
Total	**$11,953,564.96**

[1] Salaries and Wages is defined as the cost of salaries of engineers, draftsmen, stenographers, surveymen, clerks, laborers, etc., for time directly chargeable to this contract.

[2] Fringe is defined as the cost of social security contributions, unemployment, excise, and payroll taxes, employment compensation insurance, retirement benefits, medical and insurance benefits, sick leave, vacation, and holiday pay applicable thereto.

[3] Other Expenses is defined to include expendable supplies, communications, reproduction, postage, and costs of public meetings directly chargeable to this CONTRACT.

[4] Overhead is defined as the costs incurred in maintaining a place of business and performing professional services similar to those specified in this contract. These costs shall include the following:

- Direct salaries, including that portion of the salary of principals and executives that is allocable to general supervision;
- Indirect salary fringe benefits;
- Accounting and legal services related to normal management and business operations;
- Travel costs incurred in the normal course of overall administration of the business;
- Equipment rental;
- Depreciation of furniture, fixtures, equipment, and vehicles;
- Dues, subscriptions, and fees associated with trade, business, technical, and professional organizations;
- Other insurance; Rent and utilities; and
- Repairs and maintenance of furniture, fixtures, and equipment.

[5] Property Buyout is defined as the cost of Site Acquisitions, Appraisal, Property Owner Counseling, Title Search and Closing and tenant or inhabitant relocation assistance.

Agreement
BETWEEN
AMERICAN HOUSING FOUNDATION,
Brandywood Housing, Ltd.
AND
The City of Pasadena, Texas

This Agreement ("Agreement") is entered into by and between American Housing Foundation ("AHF"), Brandywood Housing, Ltd. ("Brandywood") and the City of Pasadena, Texas (the "CITY").

The purpose of this AGREEMENT is to establish a binding agreement as to the responsibilities of AHF, Brandywood and the CITY in the delivery of the following described property, to encourage cooperation between AHF, Brandywood and the CITY and to further detail the distinct roles of each party.

I. BACKGROUND

A. It is to the mutual benefit of AHF, Brandywood, and the CITY to receive a Federal Emergency Management Administration ("FEMA") grant, through the Texas Water Development Board ("TWDB"), as a part of the purchase, demolition, restoration of disturbed areas, and construction of drainage improvements as approved by the CITY on the site of seventeen (17) buildings at the property known as Brandywood Apartments located in Pasadena, Texas (the "Property"). The Property includes the following buildings located at 6411 SPENCER HIGHWAY BLDG.1, 6411 SPENCER HIGHWAY BLDG.2, 6411 SPENCER HIGHWAY BLDG.3, 6411 SPENCER HIGHWAY BLDG.4, 6411 SPENCER HIGHWAY BLDG.5,6411 SPENCER HIGHWAY BLDG.6, 6411 SPENCER HIGHWAY BLDG.8,6411 SPENCER HIGHWAY BLDG.9,6411 SPENCER HIGHWAY BLDG.10, 6411 SPENCER HIGHWAY BLDG.12, 6411 SPENCER HIGHWAY BLDG.13, 6411 SPENCER HIGHWAY BLDG.14, 6411 SPENCER HIGHWAY BLDG.15, 6411 SPENCER HIGHWAY BLDG.16, 6411 SPENCER HIGHWAY BLDG.17, 5150 RED BLUFF RD. BLDG.16, and 5150 RED BLUFF RD. BLDG.17.

B. The CITY applied through the TWDB for a FEMA project grant under the Severe Repetitive Loss ("SRL") program to mitigate specific flood problems with seventeen (17) buildings at the Property.

C. FEMA, through the TWDB, has agreed to fund the federal share of the total project costs. The federal share is 90% of the cost, or approximately $10,758,208.46 which will be escrowed by TWDB. The approval of the grant is contingent upon the CITY's agreeing to pay the remaining 10%, or approximately $1,195,356.50. This TWDB contract is attached as Exhibit "A" incorporated herein and AHF and Brandywood agree to comply with all conditions contained therein.

. The CITY has requested and AHF has agreed to pay the total of the CITY's share in exchange for the CITY's purchase of the Property and the payment to AHF of the costs defined herein. This program implementation will be completed at no cost to the CITY therefore any additional costs will be borne solely by AHF and Brandywood. The payment by the CITY to AHF and Brandywood for purchase of the Property will occur after relocation of all tenants, demolition of the buildings, payment of taxes, approval and/or certification by the TWDB that all terms of the project grant have been satisfied and any other provisions or requirements required by this AGREEMENT.

II. Terms

A. Upon execution and approval of this Agreement, the CITY will request that TWDB escrow ninety percent (90%) of the purchase price of the Property and ninety percent (90%) of the cost of the demolition contract with Texas Capital Bank (the "Escrow").

B. AHF will provide the following services (the "Services") and other requirements contained in this AGREEMENT prior to Closing:

1. Upon deposit of the Escrow, AHF or its subcontractor shall perform all FEMA required relocation assistance for the tenants of the Property. AHF shall be entitled to a total relocation payment equal to 90% of the actual incurred costs for eligible relocation expenses from the grant. AHF and/or Brandywood will pay the remaining 10% and any additional costs in excess of the amount allocated by the terms of the grant will also be borne solely by AHF and Brandywood. AHF and/or Brandywood will also bear the cost for surveying the property and any cost associated with preparation of metes and bounds for the tracts of land that the CITY is buying.

2. For this task, AHF will review eligibility for relocation benefits. AHF will obtain information from each tenant to be relocated and calculate benefit amounts to be paid. AHF will prepare an agreement for each eligible tenant and will oversee the payment of benefits. Specific additional scope items will include:

a. Rent an apartment in the complex to establish presence, on-site
b. Public meeting to tenants informing them of process
c. Notice to vacate to all tenants
d. Coordination of relocation for all tenants, to include:
    i. Assistance with identifying replacement properties
    ii. Request for relocation checks payable to eligible tenants
iii. Oversight of inspections to ensure replacement properties are decent, safe and sanitary (actual cost of inspections are not included in above referenced fee)
e. Maintain a hardcopy file for each tenant that received relocation assistance.

C. As tenants in each building are relocated, AHF shall perform or cause to be performed all demolition and improvements required to deliver the site to the CITY in a condition acceptable to the CITY, which acceptance will not be unreasonably withheld. This cost has been determined to be $1,118.880, 90% of which will be paid by FEMA through TWDB, with the remaining 10% cost borne by AHF and Brandywood and paid from the Escrow upon receipt of invoices in proper form. Any additional costs in excess of the amount allocated by the terms of the grant will be borne solely by AHF and Brandywood. This will include but not be limited to site grading and restoration, sodding of the area, and design and construction of a storm water detention facility on the Property.

D. As part of the demolition, AHF shall perform, or cause to be performed all asbestos testing and abatement, at a total cost of $1,857,600, which cost shall be paid to AHF 90% by FEMA through TWDB and 10% by AHF and Brandywood, from the Escrow upon receipt of invoices in proper form. Any additional costs in excess of the amount allocated by the terms of the grant will be borne solely by AHF and Brandywood.

E. The remainder of the Brandywood Apartments will be maintained in the normal course of business.

F. The CITY will provide the following:

1. Prompt processing of all requests for reimbursement for relocation, demolition and abatement.
2. All requirements from TWDB or FEMA related to the Project.

III. Closing

A. At Closing, Brandywood shall provide the CITY with a Warranty Deed conveying the Property to the CITY in exchange for payment of the purchase price of $7,321,970.00, less flood insurance of $1,506,841.00 and credit for receipted repairs of $71,552.03, bringing the total purchase price to $5,886,681.03, 90% ($5,298,012.93) of which shall be funded by the Escrow by the CITY from funds provided by TWBD and 10% ($588,688.10) by Brandywood and/or AHF. The Purchase Price is shown in detail on the SRL PILOT PROGRAM Final Mitigation Offer, which must be executed by the CITY and Brandywood and which is attached as Exhibit A-1 hereto. The aforementioned payment by the CITY and execution of the Final Mitigation Offer will not occur until the CITY receives approval and/or certification by the TWDB that all terms of the project grant have been satisfied and any other provisions or requirements required by this AGREEMENT.

B. Brandywood will also deliver to the CITY the Lease Agreement in the form attached hereto as Exhibit "B" leasing back the Property on the terms set forth therein.

C. At Closing, AHF and/or Brandywood will pay all property taxes owing to the CITY and enter into an agreement with the CITY not to protest or appeal City property taxes for so long as Brandywood or its subsidiaries or assigns owns the adjacent property, all as set forth in the side letter attached hereto as Exhibit "C".

D. At Closing, AHF and/or Brandywood will pay under protest all taxes currently due and payable to Harris County.

E. The Closing shall occur within ten (10) days of completion and acceptance of the demolition and abatement of the Property.

IV. TERMINATION

No party shall have the right to terminate this AGREEMENT without cause. Any of the parties may terminate for breach of this AGREEMENT and the CITY may terminate if the grant is terminated by TWDB. In either case the terminating party shall give the other parties written notice by certified mail at least sixty (60) days prior to the date the AGREEMENT is to be terminated.

V. NO DUTY EXCEPT AS EXPRESSLY STATED

AHF and Brandywood shall perform all Services in a careful and workmanlike manner and in accordance with the nationally accepted standards of care, skill and diligence applicable to the Services. Otherwise, there shall be no duty owed by either party to this AGREEMENT except those that are expressly stated herein.

VI. COMPLIANCE WITH LAW

AHF and/or Brandywood shall give all notices and comply with all federal, state, and local laws, ordinances, rules and regulations and the lawful orders of any public authority bearing on the performance of its Services. By execution of this AGREEMENT they warrant and covenant to the CITY that all

Services will be performed in accordance with all applicable federal, state, county and the CITY codes, laws, ordinances, rules and regulations.

VII. INDEMNIFICATION

TO THE EXTENT PERMITTED BY LAW, AHF AND BRANDYWOOD AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ATTORNEYS, CONSULTANTS, AND VOLUNTEERS HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, "DAMAGES" FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE, INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY, FAILURE TO COMPLY WITH GOVERNMENTAL LAWS OR REGULATIONS, OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY THE BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS MEMORANDUM OF AGREEMENT, OR BY ANY ACT OR OMISSION OF THAT PARTY, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS AND/OR BRANDYWOODS OR VOLUNTEERS, IN THE PERFORMANCE OF THIS AGREEMENT, EXCEPT TO THE EXTENT IT IS CAUSED BY THE NEGLIGENCE OR CONDUCT OF ANY OTHER PARTY INDEMNIFIED HEREUNDER. SUCH OBLIGATION SHALL NOT BE CONSTRUED TO NEGATE, ABRIDGE, OR OTHERWISE REDUCE ANY OTHER RIGHT OR OBLIGATION OF INDEMNITY WHICH WOULD OTHERWISE EXIST AS TO ANY PARTY OR PERSON DESCRIBED IN THIS SECTION. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

VIII. LIMITATION OF AGREEMENT

The CITY, Brandywood and AHF and TWDB as described herein agree and acknowledge that this AGREEMENT is entered into by and between the CITY, Brandywood and AHF only, and is not intended to inure to the benefit of any other party. No party other than the CITY, Brandywood and AHF may claim a benefit pursuant to this AGREEMENT.

IX. ACCESS TO RECORDS

AHF and/or Brandywood agree to provide access by the CITY or any of their duly authorized representatives to any books, documents, papers, and records of the Property which are directly pertinent to this AGREEMENT for the purposes of making audit, examination, excerpts, and transcriptions.

X. RETENTION OF RECORDS

The CITY, Brandywood and AHF agree to retention of all records pertinent to this AGREEMENT for three (3) years after this AGREEMENT is terminated and all other pending matters are closed.

XI. EQUAL EMPLOYMENT OPPORTUNITY

AHF and Brandywood shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or handicap. AHF and Brandywood shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, national origin or handicap. Such action shall include, but not be limited to (1) employment, (2) upgrading, (3) demotion, (4) transfer, (5) recruitment or recruitment

advertising, (6) layoff or termination, (7) rates of pay or other forms of compensation, and (8) selection for training, including apprenticeship. AHF and Brandywood shall include the terms and conditions of this clause in every subcontract unless exempted by the rules, regulations, or order of the Secretary of Labor issued under Executive Order 11246, as amended.

XII. ASSIGNMENT

This AGREEMENT is not assignable unless such assignment shall be consented to in writing by all the parties.

XIII. INTEGRATION AND SEVERABILITY

This AGREEMENT constitutes the entire agreement between the CITY, Brandywood and AHF with respect to the subject matter hereof and supersedes all prior agreements, either written or oral. This AGREEMENT cannot be altered, changed or amended except by written instrument signed by both parties. Should any portion of this AGREEMENT be deemed unenforceable by a court of competent jurisdiction or by operation of law, the remaining portions hereof shall be unaffected and be interpreted as if such unenforceable portions were initially deleted.

XIV. STATE LAW AND VENUE

This AGREEMENT has been executed and delivered in the State of Texas, and shall be construed in accordance with the laws of such State, without regard to the conflict of law provisions of the State of Texas or any other jurisdiction. Any action brought to enforce or interpret this AGREEMENT shall be brought in the court of appropriate jurisdiction in Harris County, Texas.

XV. WAIVER

No waiver of any term or condition of this AGREEMENT by either party shall be deemed to imply or constitute a further waiver of the same term or condition or of any other term or condition. Any such waiver must be in writing and signed by the party granting such waiver.

XVI. CONSTRUCTION

Each party agrees that any court interpreting or considering this AGREEMENT shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of the rule or conclusion that a document should be construed more strictly against the party who prepared it.

XVII. PARAGRAPH HEADINGS

The paragraph headings used herein are descriptive only and shall have no legal force and effect whatsoever.

XVIII. ADVICE OF COUNSEL

Both parties acknowledge that this AGREEMENT is a legal document and that they have been advised and given the opportunity to seek the advice of legal counsel of their own choosing as to its contents, obligations and effect.

XIX. NO AGENCY RELATIONSHIP

Nothing contained in this AGREEMENT or in the relationship between AHF and the CITY shall be deemed to constitute such relationship as a partnership or joint venture, or constitute the CITY as an employee or a partner of AHF, or create any other relationship between AHF and the CITY, expressed or implied

SIGNED this _____ day of_____, 2009.

SIGNATURES ON FOLLOWING PAGE

AMERICAN HOUSING FOUNDATION

BY:_____
Name:
Title:

City of Pasadena, Texas

BY:_____
Name:
Title:

BRANDYWOOD HOUSING, LTD.

By: _____
Name:
Title:

CITY OF PASADENA, TEXAS

_____
Linda Rorick, City Secretary

_____
Johnny Isbell, Mayor

Approved as to form

_____
Lee Clark, City Attorney

Exhibit A-1

Severe Repetitive Loss (SRL) Pilot Program

Final Mitigation Offer

Grantee: State of Texas, Governor's Division of Emergency Management (GDEM)

Subgrantee: City of Pasadena

Property Owner(s): Brandywood Housing, LTD, a Texas Limited Partnership,

Property Address: 6411 Spencer Hwy Bldg. 1, 6411 Spencer Hwy Bldg. 2, 6411 Spencer Hwy Bldg. 3, 6411 Spencer Hwy Bldg. 4, 6411 Spencer Hwy Bldg. 5, 6411 Spencer Hwy Bldg. 6, 6411 Spencer Hwy Bldg. 8, 6411 Spencer Hwy Bldg. 9, 6411 Spencer Hwy Bldg. 10, 6411 Spencer Hwy Bldg. 12, 6411 Spencer Hwy Bldg. 13, 6411 Spencer Hwy Bldg. 14, 6411 Spencer Hwy Bldg. 15, 6411 Spencer Hwy Bldg. 16, 6411 Spencer Hwy Bldg. 17, 5150 Red Bluff Bldg 16, and 5150 Red Bluff Bldg 17.

Street Address	RL #	Policy #
6411 SPENCER HWY BLDG 1	17589	RL00010982
6411 SPENCER HWY BLDG 2	17590	RL00006828
6411 SPENCER HWY BLDG 3	17591	RL00006829
6411 SPENCER HWY BLDG 4	17592	RL00006830
6411 SPENCER HWY BLDG 5	1462	RL00006831
6411 SPENCER HWY BLDG 6	17593	RL00006832
6411 SPENCER HWY BLDG 8	72401	RL00006833
6411 SPENCER HWY BLDG 9	17596	RL00006834
6411 SPENCER HWY BLDG 10	85796	RL00006835
6411 SPENCER HWY BLDG 12	72399	RL00006837
6411 SPENCER HWY BLDG 13	1464	RL00006838
6411 SPENCER HWY BLDG 14	1465	RL00006839
6411 SPENCER HWY BLDG 15	17598	RL00010980
6411 SPENCER HWY BLDG 16	72396	RL00006840
6411 SPENCER HWY BLDG 17	85795	RL00006841
5150 RED BLUFF RD BLDG 16	88094	RL00006827
5150 RED BLUFF RD BLDG 17	117244	0000105034

See attached Exhibit A for legal description.

This documents the formal Mitigation Offer of Assistance for the SRL program.

1. A mitigation grant has been awarded to the City of Pasadena (herein after referred to as "City") that includes your SRL property.
2. The SRL program is a voluntary program. Neither the GDEM nor the City will use their power of eminent domain to acquire your property for open space purposes if you choose not to participate or if negotiations fail.
3. All information related to you and/or your individual property that is collected during the consultation and offer processes shall be protected consistent with the federal Privacy Act and similar State and local laws and ordinances.
4. The estimated amounts in the Pre-Award Consultation Agreement are finalized in the Mitigation Offer below.
5. The City will complete Section A. for property acquisition or Section B. for mitigation activities other than acquisition.

Section A. Property Acquisition

In order to receive pre-event market value for your property, you sign here to document your eligibility to receive that amount; otherwise, you will receive a Mitigation Offer based on appropriate purchase offer methodology (i.e. current market value, outstanding loans, original purchase price):

"I certify that I am a National of the United States or a qualified alien."

_____

Signature of SRL Property Owner(s) Date

_____

Signature of SRL Property Owner(s) Date

Your Final Mitigation Offer is based on adjusting the valuation of your purchase offer of $7,321,970.00, by deductions for flood insurance of $1,506,841.00, and credit for receipted repairs in the amount of $71,552.03. The methodology used to calculate your property value was outstanding loans.

Final Mitigation Offer: $5,886,681.03

Federal / non-Federal Cost Share (75 / 25 or 90 / 10): 90%/10%

Cost borne by property owner (10%): $588,668.10

Net offer to property owner (90%): $5,298,012.93

You are accountable for maintenance and insurance requirements for the property during the mitigation project (i.e., maintaining flood insurance through property transfer).

Your additional responsibilities may include, receiving funds in a bank account for the project, keeping receipts for the project in accordance with GDEM grant and contract requirements, and other programmatic requirements e.g., timelines for vacating the property and as specified below by the City.

You must vacate the property at time of closing and settlement.

At this time you must sign the attached Statement of Voluntary Participation.

The local government and property owner will initial and date below to document each meeting related to the Mitigation Offer.

Property Owner(s)	Local Government Official(s)	Date
Property Owner(s)	Local Government Official(s)	Date
Property Owner(s)	Local Government Official(s)	Date

Accepting or Declining the Mitigation Offer

You have 45 days from the date of the Mitigation Offer Letter to accept or decline the mitigation offer of assistance by signing the appropriate section below and returning it to Jeffrey S. Ward at 14401 Bookcliff Ct., Purcellville, VA 20132. Failure to respond to the Mitigation Offer within 45 days of the date on this Mitigation Offer constitutes declining the Mitigation Offer.

1. You may request in writing that the Regional Administrator extend your the period of time to consider the mitigation offer beyond 45 days. In your letter you must explain the extenuating circumstances. This request must be submitted before the expiration of the 45 day time period.
2. If you decline the Mitigation Offer made under the SRL program, your property will be subject to an increased flood insurance premium rate. Generally, this increase will occur upon renewal of the insurance policy. You will receive a separate Notice of NFIP Insurance Premium Rate Increase from FEMA.
3. If you decline the Mitigation Offer, you retain the right to appeal the increased flood insurance premium rate only in certain circumstances in accordance with 44 CFR Part 79.7 (d) and Section 5.4 of the SRL Program Guidance.

This offer of mitigation assistance remains open and available to you, even if you decline and/or appeal the offer, as long as the SRL program exists and funds are available.

Accepting the Mitigation Offer

Final Mitigation Offer: $5,298,012.93

Mitigation Activity: **Acquisition and Demolition**

I, the property owner, accept this Mitigation Offer

_____

Signature of SRL Property Owner(s) or Authorized Representative(s) Date

_____

Signature of SRL Property Owner(s) or Authorized Representative(s) Date

_____

Signature of City Representative Date

EXHIBIT A-1

PARCEL 1

Metes and Bounds Description
7.46 Acres (Tract One)
Fabricus Reynolds Survey Abstract-643
Harris County, Texas

Being 7.46 acres (324,895 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Beginning at a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 feet wide) and the east right-of-way line of Denkman Street (60 feet wide);

THEN, NORTH, along said east right-of-way line of Denkman Street, 1066.89 feet to a 5/8 inch steel rod set;

THEN, within said 28.7196 acre tract of land the following 15 courses:

1. South 73º13'23" East, 209.57 feet to a 5/8 inch steel rod set;
2. North 17º20'12" East, 19.83 feet to a 5/8 inch steel rod set;
3. South 62º08'03" East, 81.69 feet to a 5/8 inch steel rod set;
4. South 13º15'09" West, 224.80 feet to a 5/8 inch steel rod set;
5. South 71º43'32" East, 36.66 feet to a 5/8 inch steel rod set;
6. South 50º43'45" East, 87.79 feet to a 5/8 inch steel rod set;
7. South 31º31'30" West, 90.99 feet to a 5/8 inch steel rod set;
8. South 57º42'43" East, 148.59 feet to a 5/8 inch steel rod set;
9. North 30º32'13" East, 85.79 feet to a 5/8 inch steel rod set;
10. South 55º29'37" East, 79.64 feet to a 5/8 inch steel rod set;
11. South 27º35'56" West, 195.46 feet to a PK nail with shiner set in concrete;
12. North 64º16'50" West, 89.86 feet to a PK nail with shiner set in concrete;
13. South 25º54'05" West, 271.39 feet to a PK nail with shiner set in concrete;
14. South 70º00'47" East, 88.53 feet to a PK nail with shiner set in concrete;
15. South 26º06'36" West, 267.62 feet to a 5/8 inch steel rod set in the arc of curve to the left of said northerly right-of-way line of Spencer Highway ;

THEN, in a northwesterly direction along the arc of said curve to the left from which the radius point bears South 24º28'53" West, having a radius of 1,982.00 feet, an arc length of 207.11 feet to the POINT OF BEGINNING.

CONTAINING 7.46 acres (324,895 square feet) of land.

Exhibit A-1
PARCEL 2

Metes and Bounds Description
0.37 Acres (Tract Two)
Fabricus Reynolds Survey Abstract-643
Harris County, Texas

Being 0.37 acres (15,921 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Commencing at a 1/2 inch steel rod found in the east right-of-way line of Denkman Street (60 feet wide), same being the southwest corner of Lot 40, Block 3 of Bramely Addition, a subdivision of record at Volume 36, Page 41 of Harris County Map Records;

THEN, within said 28.7196 acre tract of land the following 8 courses:

1. South 48°11'26" East, 692.16 feet to a 5/8 inch steel rod set for the POINT OF BEGINNING;
2. North 44°37'14" East, 64.53 feet to a 5/8 inch steel rod set;
3. North 20°00'41" East, 57.75 feet to a 5/8 inch steel rod set;
4. North 89°56'49" East, 86.52 feet to a 5/8 inch steel rod set;
5. South 26°49'03" West, 106.31 feet to a 5/8 inch steel rod set;
6. South 63°38'13" East, 94.48 feet to a 5/8 inch steel rod set;
7. South 26°41'15" West, 56.04 feet to a 5/8 inch steel rod set;
8. North 62°01'49" West, 184.70 feet to the POINT OF BEGINNING;

CONTAINING 0.37 acres (15,921 square feet) of land.

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Agreement") is made and entered into this _____ day of _____, 2009, by and between the City of Pasadena, Texas A Home Rule Municipal Corporation and, a body corporate and politic under the laws of the State of Texas ("Landlord") and Brandywood Housing, Ltd., a Texas limited partnership.

The parties agree as follows:

1. **PROPERTY AND TERM.**

Landlord leases to Tenant the real property described on Exhibit A attached hereto, situated in Pasadena, Texas, (the "Property") together with all improvements thereon, if any, and all rights, easements and appurtenances thereto belonging, for a term beginning on the _____ day of _____, 2009, and ending on the date upon which Brandywood is no longer the owner of the property located directly adjacent to the Property, which shall be effective upon written notice to the City of the transfer of ownership, upon the condition that Tenant performs as provided in this Agreement.

2. **RENT.**

Tenant agrees, in lieu of rent, to pay the costs of all insurance required by landlord for the use of the property as raw land and any structures and to keep the property mowed and maintained, to the reasonable satisfaction of Landlord.

3. **POSSESSION.**

Tenant shall be entitled to possession on the first day of the lease term, which shall be deemed to be simultaneous with Landlord's purchase of the Property, and shall yield possession to Landlord at the termination of this Agreement.

4. **USE.**

Tenant shall use the Property only for open space, recreational, or wetlands management purposes. No new structures may be erected on the Property other than a public facility that is open on all sides or a restroom, functionally related to the open space. Any such structures or alterations to the property by Tenant must be approved in writing in advance by landlord.

EXHIBIT "B"

5. **CARE AND MAINENANCE.**

Tenant takes the Property as is. Tenant shall maintain the Property and shall be solely responsible for maintaining the Property in its current condition as a vacant parcel.

If Landlord erects any structures on the Property, Tenant shall not be responsible for the maintenance or repairs of those structures.

6. **UTILITIES AND SERVICES.**

Tenant shall pay for all utilities and services which may be used on the Property, except the following to be furnished by Landlord: In the event Landlord elects to erect structures on the Property, Landlord shall be responsible for delivery to and payment for such utility services to such structures.

7. **SURRENDER.**

Upon the termination of this Agreement, Tenant will surrender the Property to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant.

8. **ASSIGNMENT AND SUBLETTING.**

No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of Landlord, which consent shall not unreasonably be withheld.

9. **INSURANCE.**

Tenant shall be responsible for maintaining property insurance on the Property and shall name Landlord as an additional insured on such insurance. In the event Landlord elects to erect structures on the Property, Landlord shall provide insurance for such structures and shall name Tenant as an additional insured on such insurance.

10. **INDEMNITY.**

EXCEPT FOR THE NEGLIGENCE OF LANDLORD, TENANT WILL PROTECT, DEFEND, AND INDEMNIFY LANDLORD FROM AND AGAINST ANY AND ALL LOSS, COSTS, DAMAGE AND EXPENSES OCCASIONED BY, OR ARRISING OUT OF, ANY ACCIDENT OR OTHER OCCURANCE CAUSING OR INFLICTING INJURY OR DAMAGE TO ANY PERSON OR PROPERTY, HAPPENING OR DONE IN, UPON OR ABOUT THE PROPERTY, OR DUE DIRECTLY OR INDIRECTLY TO THE TENANCY, USE OR OCCUPANCY THEREOF, OR ANY PART THEREOF BY TENANT OR ANY PERSON CLAIMING THROUGH OR UNDER TENANT.

11. **TERMINATION.**

This Agreement may be terminated at the option of Landlord upon thirty (30) days notice to Tenant at any time during the term of the Agreement. Tenant may terminate this Agreement upon thirty (30) days notice in the event of sale or transfer by Tenant of the adjoining property to a third party, unrelated to Tenant. Either such termination shall be effected by written notice and both parties shall thereafter be released from all future obligations hereunder.

12. **MECHANICS' LIENS.**

Neither Tenant, nor anyone claiming by, through, or under Tenant, shall have the right to file any mechanic's lien against the Property. Tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the Property.

13. **DEFAULT, NOTICE OF DEFAULT AND REMEDIES.**

A. EVENTS OF DEFAULT Each of the following shall constitute an event of default by Tenant: (1) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the Agreement; (2) abandonment of the Property. "Abandonment" means the Tenant has failed to perform its duties under the Agreement for a period exceeding sixty (60) days; or (3) Institution of voluntary bankruptcy proceedings by Tenant; Institution of Involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this Agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

B. NOTICE OF DEFAULT Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default that cannot be remedied in the (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

C. REMEDIES In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: Termination. Landlord may declare this Agreement to be terminated and shall give Tenant a written notice of such termination.

14. **NOTICES AND DEMANDS.**

All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this Agreement when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

15. **PROVISIONS BINDING.**

Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs administrators, executors and assigns of the parties hereto.

LANDLORD:

City of Pasadena, Texas

By: _____
MAYOR

Approved as to form:

_____
City Attorney

Attest

_____
City Secretary

TENANT:

Brandywood Housing, Ltd.,
A Texas limited partnership

By: _____, its
General Partner

By: _____
Name: _____
Title: _____

EXHIBIT A

PROPERTY DESCRIPTION

PARCEL 1

Metes and Bounds Description
7.46 Acres (Tract One)
Fabricus Reynolds Survey Abstract-643
Harris County, Texas

Being 7.46 acres (324,895 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Beginning at a 5/8 inch steel rod set for the intersection of the northerly right-of-way line of Spencer Road (100 feet wide) and the east right-of-way line of Denkman Street (60 feet wide);

THEN, NORTH, along said east right-of-way line of Denkman Street, 1066.89 feet to a 5/8 inch steel rod set;

THEN, within said 28.7196 acre tract of land the following 15 courses:

1. South 73°13'23" East, 209.57 feet to a 5/8 inch steel rod set;
2. North 17°20'12" East, 19.83 feet to a 5/8 inch steel rod set;
3. South 62°08'03" East, 81.69 feet to a 5/8 inch steel rod set;
4. South 13°15'09" West, 224.80 feet to a 5/8 inch steel rod set;
5. South 71°43'32" East, 36.66 feet to a 5/8 inch steel rod set;
6. South 50°43'45" East, 87.79 feet to a 5/8 inch steel rod set;
7. South 31°31'30" West, 90.99 feet to a 5/8 inch steel rod set;
8. South 57°42'43" East, 148.59 feet to a 5/8 inch steel rod set;
9. North 30°32'13" East, 85.79 feet to a 5/8 inch steel rod set;
10. South 55°29'37" East, 79.64 feet to a 5/8 inch steel rod set;
11. South 27°35'56" West, 195.46 feet to a PK nail with shiner set in concrete;
12. North 64°16'50" West, 89.86 feet to a PK nail with shiner set in concrete;
13. South 25°54'05" West, 271.39 feet to a PK nail with shiner set in concrete;
14. South 70°00'47" East, 88.53 feet to a PK nail with shiner set in concrete;
15. South 26°06'36" West, 267.62 feet to a 5/8 inch steel rod set in the arc of curve to the left of said northerly right-of-way line of Spencer Highway ;

THEN, in a northwesterly direction along the arc of said curve to the left from which the radius point bears South 24°28'53" West, having a radius of 1,982.00 feet, an arc length of 207.11 feet to the POINT OF BEGINNING.

CONTAINING 7.46 acres (324,895 square feet) of land.

PARCEL 2

Metes and Bounds Description
0.37 Acres (Tract Two)
Fabricus Reynolds Survey Abstract-643
Harris County, Texas

Being 0.37 acres (15,921 square feet) of land out of a called 28.7196 acre tract of record under Clerk's File No. P520032, situated in the Fabricus Reynolds Survey Abstract Number 643, Harris County, Texas;

Commencing at a 1/2 inch steel rod found in the east right-of-way line of Denkman Street (60 feet wide), same being the southwest corner of Lot 40, Block 3 of Bramely Addition, a subdivision of record at Volume 36, Page 41 of Harris County Map Records;

THEN, within said 28.7196 acre tract of land the following 8 courses:

1. South 48°11'26" East, 692.16 feet to a 5/8 inch steel rod set for the POINT OF BEGINNING;
2. North 44°37'14" East, 64.53 feet to a 5/8 inch steel rod set;
3. North 20°00'41" East, 57.75 feet to a 5/8 inch steel rod set;
4. North 89°56'49" East, 86.52 feet to a 5/8 inch steel rod set;
5. South 26°49'03" West, 106.31 feet to a 5/8 inch steel rod set;
6. South 63°38'13" East, 94.48 feet to a 5/8 inch steel rod set;
7. South 26°41'15" West, 56.04 feet to a 5/8 inch steel rod set;
8. North 62°01'49" West, 184.70 feet to the POINT OF BEGINNING;

CONTAINING 0.37 acres (15,921 square feet) of land.

4/23/2009

City of Pasadena, Texas
City Hall
1211 Southmore
Pasadena, TX 77502

RE: Letter Agreement between American Housing Foundation ("AHF"), Brandywood Housing, Ltd. ("Brandywood") and the City of Pasadena, Texas (the "City") regarding the payment of ad valorem taxes on accounts 21-157-000-0070, 21-157-000-0018, and 21-157-000-0111

Dear Sirs:

This letter is to serve as an agreement between AHF, Brandywood and the City with respect to payment of the City's ad valorem taxes on the property subject to ad valorem taxes under the above referenced tax account numbers (the "Property").

Brandywood is the current owner of all of the Property. By Agreement, Brandywood has agreed to sell and the City has agreed to purchase a portion of the Property. Brandywood had applied for property tax exemptions on the Property and the applications are currently in litigation

In consideration of the City's agreement to purchase a portion of the Property, AHF and Brandywood have agreed at closing of the purchase of the property, to pay the entire balance of taxes currently due and owing to the City. In addition, AHF and Brandywood have agreed to forego application for a property tax exemption from the City on the remaining portion of the Property for so long as Brandywood is the owner of the Property. If AHF and Brandywood are successful in the currently pending litigation, they will not require the City to repay the taxes which have been paid for City taxes at closing.

If this Letter Agreement is acceptable to you, please sign in the space provided below. If you have any questions, please do not hesitate to contact me.

I look forward to hearing from you.

SIGNATURES ON FOLLOWING PAGE

Sincerely,

AMERICAN HOUSING FOUNDATION

Steve W. Sterquell
CEO

BRANDYWOOD HOUSING, LTD

By: _____
Name: _____
Title: _____

AGREED AND ACCEPTED:

THE CITY OF PASADENA, TEXAS

By: _____
Title: _____
Date: _____

GENERAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

Date: _____, 2009

Grantor(s):

Grantors' mailing address:

Grantee: **City of Pasadena**

Grantee's mailing address:

Consideration: **$10.00 and other good and valuable consideration**

Property: **Legal Description:**

Physical Address:

In reference to the property or properties ("Property") conveyed by the Deed between [*property owner*] participating in the federally-assisted acquisition project ("the Grantor") and the City of Pasadena, ("the Grantee"), its successors and assigns:

WHEREAS, the **Severe Repetitive Loss Pilot Program ("SRL"),** as authorized under Sections 1361(A) of the National Flood Insurance Act of 1968 (NFIA, or "the Act"), 42 USC 4011 et seq., as amended by the National Flood Insurance Reform Act of 1994 (NFIRA); Public Law 103-325, and the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, identifies the use of SRL funds for uses that reduce flood damages to properties insured under the National Flood Insurance Program ("NFIP");

WHEREAS, the mitigation grant program provides a process for a local government, through the State, to apply for federal funds for mitigation assistance to acquire interests in property, including the purchase of structures in the floodplain, to demolish and/or remove the structures, and to maintain the use of the Property as open space in perpetuity;

Whereas, City of Pasadena has applied for and been awarded such funding from the Department of Homeland Security, Federal Emergency Management Agency ("FEMA") .

Whereas, the Property is located in the City of Pasadena and the City of Pasadena participates in the National Flood Insurance Program ("NFIP") and is in good standing with NFIP as of the date of the Deed;

WHEREAS, the terms of the mitigation grant program statutory authorities, Federal program requirements consistent with 44 C.F.R. Part 80, the Grant Agreement, and the State-local Agreement require that the Grantee agree to conditions that restrict the use of the land to open space in perpetuity in order to protect and preserve natural floodplain values;

Now, therefore, the grant is made subject to the following terms and conditions:

1. Terms. Pursuant to the terms of the [select mitigation grant program] program statutory authorities, Federal program requirements consistent with 44 C.F.R. Part 80, the Grant Agreement, and the State-local Agreement, the following conditions and restrictions shall apply in perpetuity to the Property described in the attached deed and acquired by the Grantee pursuant to FEMA program requirements concerning the acquisition of property for open space:

a. Compatible uses. The Property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions. Such uses may include: parks for outdoor recreational activities; wetlands management; nature reserves; cultivation; grazing; camping (except where adequate warning time is not available to allow evacuation); unimproved, unpaved parking lots; buffer zones; and other uses consistent with FEMA guidance for open space acquisition, Hazard Mitigation Assistance, Requirements for Property Acquisition and Relocation for Open Space.

b. Structures. No new structures or improvements shall be erected on the Property other than:

i. A public facility that is open on all sides and functionally related to a designated open space or recreational use;
ii. A public rest room; or
iii. A structure that is compatible with open space and conserves the natural function of the floodplain, including the uses described in Paragraph 1.a., above, and approved by the FEMA Administrator in writing before construction of the structure begins.

Any improvements on the Property shall be in accordance with proper floodplain management policies and practices. Structures built on the Property according to paragraph b. of this section shall be floodproofed or elevated to at least the base flood level plus 1 foot of freeboard, or greater, if required by FEMA, or if required by any State, Tribal, or local ordinance, and in accordance with criteria established by the FEMA Administrator.

c. Disaster Assistance and Flood Insurance. No Federal entity or source may provide disaster assistance for any purpose with respect to the Property, nor may any application for such assistance be made to any Federal entity or source. The Property is not eligible for coverage under the NFIP for damage to structures on the property occurring after the date of the property settlement, except for pre-existing structures being relocated off the property as a result of the project.

d. Transfer. The Grantee, including successors in interest, shall convey any interest in the Property only if the FEMA Regional Administrator, through the State, gives prior written approval of the transferee in accordance with this paragraph.

i. The request by the Grantee, through the State, to the FEMA Regional Administrator must include a signed statement from the proposed transferee that it acknowledges and agrees to be bound by the terms of this section, and documentation of its status as a qualified conservation organization if applicable.

ii. The Grantee may convey a property interest only to a public entity or to a qualified conservation organization. However, the Grantee may convey an easement or lease to a private individual or entity for purposes compatible with the uses described in paragraph (a), of this section, with the prior approval of the FEMA Regional Administrator, and so long as the conveyance does not include authority to control and enforce the terms and conditions of this section.

iii. If title to the Property is transferred to a public entity other than one with a conservation mission, it must be conveyed subject to a conservation easement that shall be recorded with the deed and shall incorporate all terms and conditions set forth in this section, including the easement holder's responsibility to enforce the easement. This shall be accomplished by one of the following means:

a) The Grantee shall convey, in accordance with this paragraph, a conservation easement to an entity other than the title holder, which shall be recorded with the deed, or
b) At the time of title transfer, the Grantee shall retain such conservation easement, and record it with the deed.

iv. Conveyance of any property interest must reference and incorporate the original deed restrictions providing notice of the conditions in this section and must incorporate a provision for the property

interest to revert to the State, Tribe, or local government in the event that the transferee ceases to exist or loses its eligible status under this section.

2. Inspection. FEMA, its representatives and assigns including the State or Tribe shall have the right to enter upon the Property, at reasonable times and with reasonable notice, for the purpose of inspecting the Property to ensure compliance with the terms of this part, the Property conveyance and of the grant award.

3. Enforcement. The Grantee (mitigation grant program subgrantee), the State, FEMA, and their respective representatives, successors and assigns, are responsible for taking measures to bring the Property back into compliance if the Property is not maintained according to the terms of 44 C.F.R. Part 80, the property conveyance, and the grant award. The relative rights and responsibilities of FEMA, the State, the Grantee, and subsequent holders of the property interest at the time of enforcement, shall include the following:

a. The State will notify the Grantee and any current holder of the property interest in writing and advise them that they have 60 days to correct the violation.

i. If the Grantee or any current holder of the property interest fails to demonstrate a good faith effort to come into compliance with the terms of the grant within the 60-day period, the State shall enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to bringing an action at law or in equity in a court of competent jurisdiction.

ii. FEMA, its representatives, and assignees may enforce the terms of the grant by taking any measures it deems appropriate, including but not limited to 1 or more of the following:

a) Withholding FEMA mitigation awards or assistance from the State or Tribe, and Grantee; and current holder of the property interest.
b) Requiring transfer of title. The Grantee or the current holder of the property interest shall bear the costs of bringing the Property back into compliance with the terms of the grant; or
c) Bringing an action at law or in equity in a court of competent jurisdiction against any or all of the following parties: the State, the Tribe, the local community, and their respective successors.

4. Amendment. This agreement may be amended upon signatures of FEMA, the State, and the Grantee only to the extent that such amendment does not affect the fundamental and statutory purposes underlying the agreement.

5. Severability. Should any provision of this grant or the application thereof to any person or circumstance be found to be invalid or unenforceable, the rest and remainder of the provisions of this grant and their application shall not be affected and shall remain valid and enforceable.

Grantor's Signature _____

Date _____

Name (printed or typed) _____

Grantee's Signature _____

Date _____

Grantee's Name _____

Grantee's Title _____

Exhibit A-1

Severe Repetitive Loss (SRL) Pilot Program

Final Mitigation Offer

Grantee: State of Texas, Governor's Division of Emergency Management (GDEM)

Subgrantee: City of Pasadena

Property Owner(s): Brandywood Housing, LTD, a Texas Limited Partnership,

Property Address: 6411 Spencer Hwy Bldg. 1, 6411 Spencer Hwy Bldg. 2, 6411 Spencer Hwy Bldg. 3, 6411 Spencer Hwy Bldg. 4, 6411 Spencer Hwy Bldg. 5, 6411 Spencer Hwy Bldg. 6, 6411 Spencer Hwy Bldg. 8, 6411 Spencer Hwy Bldg. 9, 6411 Spencer Hwy Bldg. 10, 6411 Spencer Hwy Bldg. 12, 6411 Spencer Hwy Bldg. 13, 6411 Spencer Hwy Bldg. 14, 6411 Spencer Hwy Bldg. 15, 6411 Spencer Hwy Bldg. 16, 6411 Spencer Hwy Bldg. 17, 5150 Red Bluff Bldg 16, and 5150 Red Bluff Bldg 17.

Street Address	RL #	Policy #
6411 SPENCER HWY BLDG 1	17589	RL00010982
6411 SPENCER HWY BLDG 2	17590	RL00006828
6411 SPENCER HWY BLDG 3	17591	RL00006829
6411 SPENCER HWY BLDG 4	17592	RL00006830
6411 SPENCER HWY BLDG 5	1462	RL00006831
6411 SPENCER HWY BLDG 6	17593	RL00006832
6411 SPENCER HWY BLDG 8	72401	RL00006833
6411 SPENCER HWY BLDG 9	17596	RL00006834
6411 SPENCER HWY BLDG 10	85796	RL00006835
6411 SPENCER HWY BLDG 12	72399	RL00006837
6411 SPENCER HWY BLDG 13	1464	RL00006838
6411 SPENCER HWY BLDG 14	1465	RL00006839
6411 SPENCER HWY BLDG 15	17598	RL00010980
6411 SPENCER HWY BLDG 16	72396	RL00006840
6411 SPENCER HWY BLDG 17	85795	RL00006841
5150 RED BLUFF RD BLDG 16	88094	RL00006827
5150 RED BLUFF RD BLDG 17	117244	0000105034

See attached Exhibit A for legal description.

This documents the formal Mitigation Offer of Assistance for the SRL program.

AIA® Document A111™ – 1997

Standard Form of Agreement Between Owner and Contractor

where the basis of payment is the Cost of the Work Plus a Fee with a negotiated Guaranteed Maximum Price

AGREEMENT made as of the Twentieth day of November
in the year 2008 (Two Thousand Eight)
(In words, indicate day, month and year)

BETWEEN the Owner: American Housing Foundation
(Name, address and other information)
American Housing Foundation
1800 Washington, Ste 311
Amarillo, TX 79102

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is not intended for use in competitive bidding.

AIA Document A201 –1997, General Conditions of the Contract for Construction, is adopted in this document by reference.

This document has been approved and endorsed by The Associated General Contractors of America.

and the Contractor:
(Name, address and other information)
Mid-Continent Community Development
1800 Washington
Suite 206
Amarillo, TX 79102

The Project is:
(Name and location)
Brandywood Apartments
6411 Spencer Highway
Pasadena, TX 77505

The Architect is:
(Name, address and other information)
N/A

The Owner and Contractor agree as follows.

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ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 15. If anything in the other Contract Documents is inconsistent with this Agreement, this Agreement shall govern.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 RELATIONSHIP OF THE PARTIES

The Contractor accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Contractor's skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 4.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.
(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

To be determined.

If, prior to commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

§ 4.2 The Contract Time shall be measured from the date of commencement.

§ 4.3 The Contractor shall achieve Substantial Completion of the entire Work not later than
days from the date of commencement, or as follows: 280 Days
(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

, subject to adjustments of this Contract Time as provided in the Contract Documents.
(Insert provisions, if any, for liquidated damages relating to failure to complete on time, or for bonus payments for early completion of the Work.)

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ARTICLE 5 BASIS FOR PAYMENT

§ 5.1 CONTRACT SUM

§ 5.1.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor's Fee.

§ 5.1.2 The Contractor's Fee is:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor's Fee, and describe the method of adjustment of the Contractor's Fee for changes in the Work.)

Profit (Two hundred forty eight thousand forty & no 100 dollars) $248,040.00
Overhead (Two hundred forty eight thousand forty & no 100 dollars)$248,040.00

§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The sum of the Cost of the Work and the Contractor's Fee is guaranteed by the Contractor not to exceed * See Below ($2,976,480.00), subject to additions and deductions by Change Order as provided in the Contract Documents. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

(Insert specific provisions if the Contractor is to participate in any savings.)

*Two million nine hundred seventy six thousand four hundred eighty & no/100 dollars

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when the amount expires.)

No alternates

§ 5.2.3 Unit prices, if any, are as follows:

No unit prices

§ 5.2.4 Allowances, if any, are as follows:

(Identify and state the amounts of any allowances, and state whether they include labor, materials, or both.)

No allowances

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§ 5.2.5 Assumptions, if any, on which the Guaranteed Maximum Price is based are as follows:

No Assumptions

§ 5.2.6 To the extent that the Drawings and Specifications are anticipated to require further development by the Architect, the Contractor has provided in the Guaranteed Maximum Price for such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include such things as changes in scope, systems, kinds and quality of materials, finishes or equipment, all of which, if required, shall be incorporated by Change Order.

ARTICLE 6 CHANGES IN THE WORK

§ 6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–1997.

§ 6.2 In calculating adjustments to subcontracts (except those awarded with the Owner's prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201–1997 and the terms "costs" and "a reasonable allowance for overhead and profit" as used in Section 7.3.6 of AIA Document A201–1997 shall have the meanings assigned to them in AIA Document A201–1997 and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201–1997 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the terms "fee" and "a reasonable allowance for overhead and profit" shall mean the Contractor's Fee as defined in Section 5.1.2 of this Agreement.

§ 6.4 If no specific provision is made in Section 5.1 for adjustment of the Contractor's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 5.1 will cause substantial inequity to the Owner or Contractor, the Contractor's Fee shall be equitably adjusted on the basis of the Fee established for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COSTS TO BE REIMBURSED

§ 7.1 COST OF THE WORK

The term Cost of the Work shall mean costs necessarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

§ 7.2 LABOR COSTS

§ 7.2.1 Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner's approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Contractor's supervisory and administrative personnel when stationed at the site with the Owner's approval.

(If it is intended that the wages or salaries of certain personnel stationed at the Contractor's principal or other offices shall be included in the Cost of the Work, identify in Article 14 the personnel to be included and whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

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§ 7.2.3 Wages and salaries of the Contractor's supervisory or administrative personnel engaged, at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Contractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3.

§ 7.3 SUBCONTRACT COSTS

§ 7.3.1 Payments made by the Contractor to Subcontractors in accordance with the requirements of the subcontracts.

§ 7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

§ 7.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

§ 7.5.1 Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers, that are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

§ 7.5.3 Costs of removal of debris from the site.

§ 7.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 7.5.5 That portion of the reasonable expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.

§ 7.5.6 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the Owner.

§ 7.6 MISCELLANEOUS COSTS

§ 7.6.1 That portion of insurance and bond premiums that can be directly attributed to this Contract:

§ 7.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work.

§ 7.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201–1997 or other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of

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the Contract Documents; and payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor's Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17.1 of AIA Document A201–1997 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 7.6.6 Data processing costs related to the Work.

§ 7.6.7 Deposits lost for causes other than the Contractor's negligence or failure to fulfill a specific responsibility to the Owner as set forth in the Contract Documents.

§ 7.6.8 Legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Contractor, reasonably incurred by the Contractor in the performance of the Work and with the Owner's prior written approval; which approval shall not be unreasonably withheld.

§ 7.6.9 Expenses incurred in accordance with the Contractor's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, if approved by the Owner.

§ 7.7 OTHER COSTS AND EMERGENCIES

§ 7.7.1 Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

§ 7.7.2 Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.6 of AIA Document A201–1997.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Contractor and only to the extent that the cost of repair or correction is not recoverable by the Contractor from insurance, sureties, Subcontractors or suppliers.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include:

§ 8.1.1 Salaries and other compensation of the Contractor's personnel stationed at the Contractor's principal office or offices other than the site office, except as specifically provided in Sections 7.2.2 and 7.2.3 or as may be provided in Article 14.

§ 8.1.2 Expenses of the Contractor's principal office and offices other than the site office.

§ 8.1.3 Overhead and general expenses, except as may be expressly included in Article 7.

§ 8.1.4 The Contractor's capital expenses, including interest on the Contractor's capital employed for the Work.

§ 8.1.5 Rental costs of machinery and equipment, except as specifically provided in Section 7.5.2.

§ 8.1.6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence or failure to fulfill a specific responsibility of the Contractor, Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable.

§ 8.1.7 Any cost not specifically and expressly described in Article 7.

§ 8.1.8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

§ 9.1 Cash discounts obtained on payments made by the Contractor shall accrue to the Owner if (1) before making the payment, the Contractor included them in an Application for Payment and received payment therefor from the

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Owner, or (2) the Owner has deposited funds with the Contractor with which to make payments; otherwise, cash discounts shall accrue to the Contractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Contractor shall make provisions so that they can be secured.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

§ 10.1 Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed under subcontracts or by other appropriate agreements with the Contractor. The Owner may designate specific persons or entities from whom the Contractor shall obtain bids. The Contractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Architect. The Owner shall then determine, with the advice of the Contractor and the Architect, which bids will be accepted. The Contractor shall not be required to contract with anyone to whom the Contractor has reasonable objection.

§ 10.2 If a specific bidder among those whose bids are delivered by the Contractor to the Architect (1) is recommended to the Owner by the Contractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Contractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Contractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 10.3 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner.

ARTICLE 11 ACCOUNTING RECORDS

The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this Contract, and the accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's accountants shall be afforded access to, and shall be permitted to audit and copy, the Contractor's records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to this Contract, and the Contractor shall preserve these for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 12 PAYMENTS

§ 12.1 PROGRESS PAYMENTS

§ 12.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 12.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

Payment shall be based on percentage of completion

§ 12.1.3 Provided that an Application for Payment is received by the Architect not later than the Twentieth (20th) day of a month, the Owner shall make payment to the Contractor not later than the Fifth (5th) day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than Fifteen (15) days after the Architect receives the Application for Payment.

§ 12.1.4 With each Application for Payment, the Contractor shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that cash disbursements already made by the Contractor on account of the Cost of the Work equal or exceed (1) progress payments already received by the Contractor; less (2) that portion of those payments attributable to the Contractor's Fee; plus (3) payrolls for the period covered by the present Application for Payment.

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§ 12.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor's Fee shall be shown as a single separate item. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed; or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Contractor on account of that portion of the Work for which the Contractor has made or intends to make actual payment prior to the next Application for Payment by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 12.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

.1 Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.8 of AIA Document A201–1997;

.2 Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;

.3 Add the Contractor's Fee, less retainage of Ten percent (10 %). The Contractor's Fee shall be computed upon the Cost of the Work described in the two preceding Clauses at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Subparagraph, shall be an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work in the two preceding Clauses bears to a reasonable estimate of the probable Cost of the Work upon its completion;

.4 Subtract the aggregate of previous payments made by the Owner;

.5 Subtract the shortfall, if any, indicated by the Contractor in the documentation required by Section 12.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's accountants in such documentation; and

.6 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201–1997.

§ 12.1.8 Except with the Owner's prior approval, payments to Subcontractors shall be subject to retainage of not less than Ten percent (10 %). The Owner and the Contractor shall agree upon a mutually acceptable procedure for review and approval of payments and retention for Subcontractors.

§ 12.1.9 In taking action on the Contractor's Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Contractor and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation submitted in accordance with Section 12.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections or that the Architect has made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner's accountants acting in the sole interest of the Owner.

§ 12.2 FINAL PAYMENT

§ 12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201–1997, and to satisfy other requirements, if any, which extend beyond final payment; and

.2 a final Certificate for Payment has been issued by the Architect.

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§ 12.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 12.2.3 The Owner's accountants will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner's accountants report to be substantiated by the Contractor's final accounting, and provided the other conditions of Section 12.2.1 have been met, the Architect will, within seven days after receipt of the written report of the Owner's accountants, either issue to the Owner a final Certificate for Payment with a copy to the Contractor, or notify the Contractor and Owner in writing of the Architect's reasons for withholding a certificate as provided in Section 9.5.1 of the AIA Document A201–1997. The time periods stated in this Section 12.2.3 supersede those stated in Section 9.4.1 of the AIA Document A201–1997.

§ 12.2.4 If the Owner's accountants report the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to demand arbitration of the disputed amount without a further decision of the Architect. Such demand for arbitration shall be made by the Contractor within 30 days after the Contractor's receipt of a copy of the Architect's final Certificate for Payment; failure to demand arbitration within this 30-day period shall result in the substantiated amount reported by the Owner's accountants becoming binding on the Contractor. Pending a final resolution by arbitration, the Owner shall pay the Contractor the amount certified in the Architect's final Certificate for Payment.

§ 12.2.5 If, subsequent to final payment and at the Owner's request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs and the Contractor's Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If the Contractor has participated in savings as provided in Section 5.2, the amount of such savings shall be recalculated and appropriate credit given to the Owner in determining the net amount to be paid by the Owner to the Contractor.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 The Contract may be terminated by the Contractor, or by the Owner for convenience, as provided in Article 14 of AIA Document A201–1997. However, the amount to be paid to the Contractor under Section 14.1.3 of AIA Document A201–1997 shall not exceed the amount the Contractor would be entitled to receive under Section 13.2 below, except that the Contractor's Fee shall be calculated as if the Work had been fully completed by the Contractor, including a reasonable estimate of the Cost of the Work for Work not actually completed.

§ 13.2 The Contract may be terminated by the Owner for cause as provided in Article 14 of AIA Document A201–1997. The amount, if any, to be paid to the Contractor under Section 14.2.4 of AIA Document A201–1997 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

§ 13.2.1 Take the Cost of the Work incurred by the Contractor to the date of termination;

§ 13.2.2 Add the Contractor's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1.2 or, if the Contractor's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

§ 13.2.3 Subtract the aggregate of previous payments made by the Owner.

§ 13.3 The Owner shall also pay the Contractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Contractor that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the

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legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

§ 13.4 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–1997; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–1997 except that the term "profit" shall be understood to mean the Contractor's Fee as described in Sections 5.1.2 and Section 6.4 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Where reference is made in this Agreement to a provision AIA Document A201–1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.
(Insert rate of interest agreed upon, if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

§ 14.3 The Owner's representative is:
(Name, address and other information.)

Steve Sterquell
President
American Housing Foundation
1800 Washington, Ste 311
Amarillo, Texas 79102

§ 14.4 The Contractor's representative is:
(Name, address and other information.)

Larry D. Bunn Jr.
President
Mid-Continent Community Development Corporation
1800 Washington, Ste 206
Amarillo, Texas 79102

§ 14.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

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§ 14.6 Other provisions:

ARTICLE 15 ENUMERATION OF CONTRACT DOCUMENTS

§ 15.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

§ 15.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A111–1997.

§ 15.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201–1997.

§ 15.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated N/A , and are as follows:

Document	Title	Pages

§ 15.1.4 The Specifications are those contained in the Project Manual dated as in Section 15.1.3, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages

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§ 15.1.5 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Date

Reproduction

§ 15.1.6 The Addenda, if any, are as follows:

Number	Date	Pages

Reproduction

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 15.

§ 15.1.7 Other Documents, if any, forming part of the Contract Documents are as follows:
(List here any additional documents, such as a list of alternates that are intended to form part of the Contract Documents. AIA Document A201–1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

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ARTICLE 16 INSURANCE AND BONDS

(List required limits of liability for insurance and bonds. AIA Document A201–1997 gives other specific requirements for insurance and bonds.)

A payment and performance bond can be obtained at 2% of the cost of the Contract to be paid by the owner.

Reproduction

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER *(Signature)*

Steve W. Sterquell, President
(Printed name and title)

CONTRACTOR *(Signature)*

Larry D. Bunn, Jr., President
(Printed name and title)

CAUTION: You should sign an original AIA Contract Document, on which this text appears in RED. An original assures that changes will not be obscured.

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Agreement for Personal Services HTC 95005

This agreement is made and entered into by and between the **American Housing Foundation,** a Texas Corporation, and **Jeffrey S. Ward & Associates, Inc.,** hereinafter referred to as the "Consultant".

Job Description: Acquisition and Relocation Services

Primary purpose: To assist and advise on the acquisition of 17 buildings of the Brandywood apartment complex and relocation of all tenants as part of a FEMA funded grant. This grant is funded under FEMA's Severe Repetitive Loss (SRL) program.

Note: 90% of the costs indicated below are eligible for reimbursement under the SRL grant and the remaining 10% will be borne by the American Housing Corporation.

Scope of Work

Acquisition and Relocation Services
Review and Oversight of Title Company Activities The Contractor will ensure that the Title Company activities are performed in a timely manner and in accordance with the terms of the contract. The Contractor will review Title Search and Title Insurance Commitments to ensure that they meet the requirements of the contract. If problems are encountered, the Contractor will seek resolution from the Title Company.
Determine Final Offer Amount Information provided by the community will be reviewed and an amount of compensation will be recommended. The Contractor will analyze the appraisal and/or indebtedness to extract the needed information for the preparation of the Statement of Determination of Compensation and Offer to Sell Real Property. Duplication of Benefits information will be reviewed and proper deductions from value will be made. Note: Duplication of Benefits data is only as good as the data provided by the Community and/or the homeowner. Contractor will not be responsible for duplication of benefits data not known or withheld at the time of the development of the Determination of Compensation. Every effort will be made to obtain complete and accurate Duplication of Benefits data up to the point of settlement of the property.
Prepare Determination of Compensation and Offer to Sell Real Property Utilizing the data developed or obtained in the task above, the Contractor will prepare the following documents: (1) Letter to owner explaining the acquisition process and their rights and options, to be signed by the Community official, (2) a Statement of Determination of Compensation to be signed by the Community official, and; (3) an Offer to Sell Real Property agreement.
Negotiate with Owner Owner will be scheduled for a personal meeting at which time the letter explaining the acquisition process and the owner's rights and options will be reviewed by the Contractor. The Statement of Determination of Compensation and Offer to Sell Real Property will also be explained and presented by the Contractor. If duplication of benefits deductions are made and the owner has documentation to support a revision to the deductions or to support reimbursement, appropriate adjustments will be made. .

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Prepare Draft Deed

The Contractor will prepare or provide a sample Deed in a form that meets the requirements of the FEMA Section 404 program and/or the appropriate Grant agency. The Deed will be suitable for recording with the Recorder of Deeds in the appropriate County. This Deed will recite the true consideration to be paid, will identify the interest in the land to be acquired and will include appropriate deed restrictions as directed by FEMA and/or the Grant agency.

Oversee and Coordinate Settlement

The title company will be responsible for scheduling closing with the owner and for the preparation of all documents necessary for closing. These activities will be monitored to ensure that they are performed in a timely manner and that all matters are properly coordinated. A listing will be prepared and provided to the Client prior to each closing which identifies the amount needed for disbursement by the title company at the closing. The listing will identity owner name, address of property and amount of compensation. The client will be advised to deposit the needed funds in the Title Company escrow prior to closing.

Prepare and Maintain Hard Copy Case File

A hard copy case file will be prepared and submitted to the client for the primary property purchase and for each tenant. This file will contain at a minimum: the application package from the owner; a copy of the appraisal; a copy of the letter; a copy of the Determination of Compensation; a copy of the Offer to Sell and any revisions thereto; a copy of the final title insurance policy; and a copy of the recorded Deed. Tenant files will include all documentation to support the eligibility determination, relocation agreement, and all appropriate tenant notification documentation. Notes regarding owner and tenant meetings and discussions will be included in the case file as appropriate.

Determine Relocation Benefits for Eligible Tenants

Although the owner will be made a voluntary offer to sell, tenants will not have the option of staying if they owner sells. For this reason, FEMA requires the tenants be provided relocation assistance. This assistance and the oversight/facilitation thereof, are allowable costs under the grant.

For this task, the Contractor will review eligibility for relocation benefits. The Contractor will obtain information from each and calculate benefit amounts to be paid. The Contractor will prepare an Agreement for each eligible owner or tenant and will oversee the payment of benefits. Specific additional scope items will include:

1. Rent an apartment in the complex to establish presence, on-site
2. Public meeting to tenants informing them of process (in coordination with owner and City)
3. Notice to vacant to all tenants
4. Coordination of relocation for all tenants, to include:
   a. Assistance with identifying replacement properties
   b. Request for relocation checks payable to eligible tenants
   c. Oversight of inspections to ensure replacement properties are decent, safe, and sanitary (actual cost of inspections are not included in above referenced fee)
   d. Maintain a hardcopy file for each tenant that received relocation assistance

Processing of Request for Reimbursements and Status Reporting

Contractor will facilitate the request for transfer of funds from Texas Water Development Board to the City of Pasadena for all cost elements – either as an advance on contract or on a cost reimbursable basis.

Contractor will hold weekly status meetings with all stakeholders and will prepare all grant required status reports.

Price for Basic Acquisition Services and Relocation Services: There are 258 units in the 17 buildings to be acquired. Consistent with the grant budget, the price to handle all above tasks for all 17 buildings and all tenants is $258,000. Contractor proposes to handle the billing for this work in the following manner.

PHC-95005

10% at notice to proceed (used to set up office, on-site, to begin relocation coordination)
15% when the property is 25% vacant
25% when the property is 50% vacant
25% when the property is 75% vacant
15% when the property is 100% vacant
10% more when ownership is transferred

General Contract Provisions

- The American Housing Foundation will provide space and necessary equipment for on-site work in connection with the acquisition and relocation services.
- Consultant will invoice American Housing Foundation for services as costs are incurred. Checks will be made payable to Jeffrey S. Ward & Associates, Inc. at 14401 Bookcliff Ct., Purcellville, VA 20132. Federal Tax ID Number 01-0722967.
- This contract is terminable at the will of either party.

PASSED AND APPROVED this 24 day of November, 2008.

CONSULTANT

Jeffrey S. Ward, President

American Housing Foundation

S263591

511-32-2609 HTC 950059

12/31/96 300089663 S263591 $39.00

DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR LOW-INCOME HOUSING CREDITS

THIS DECLARATION OF LAND USE RESTRICTIVE COVENANTS FOR LOW-INCOME HOUSING TAX CREDITS (this "Declaration"), dated as of December 4, 1996, is made by and between Brandywood Housing, Ltd. (together with its successors and assigns, the "Project Owner") and The Texas Department of Housing & Community Affairs, an instrumentality of the State of Texas and a public corporation (together with any successor to its rights, duties and obligations, the "Department"), and is given by Project Owner as a condition precedent to [the determination that the Project, as defined herein, satisfies the requirements of the State of Texas's Qualified Allocation Plan] the allocation of low-income housing tax credits (the "Tax Credits"), pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto (the "Code"), by the Department. This Declaration incorporates the extended low-income housing commitment required by Section 42(h)(6) of the Code and is promulgated in accordance with the provisions of Chapter 2306, Tex. Gov. Code, (the "Act"), as may be amended from time to time.

WITNESSETH:

WHEREAS, the Project Owner is or shall be the Project Owner of a low income rental housing development, known as or to be known as Brandywood Housing Cooperative (the "Project Improvements"), on real property located in the City of Pasadena, County of Harris, State of Texas, more particularly described in Exhibit A hereto (the "Project Land") (the Project Improvements and the Project Land being collectively referred to herein as the "Project");

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A

WHEREAS, the Department has been designated by the Governor of the State of Texas as the housing credit agency for the State of Texas for the allocation of Tax Credits;

WHEREAS, the Project Owner has applied to the Department for an allocation of Tax Credits to the Project in an amount not to exceed Three Hundred Ninety Thousand Nine Hundred Thirty Seven Tax Credit dollars ($ 390,937);

WHEREAS, the Project Owner has represented to the Department in the Project Owner's Low-Income Housing Tax Credit Application (the "Application"), authorized by the Department's Low-Income Rental Housing Tax Credit Rules (the "Department Rules"), that the Project Owner shall lease 70 % of the units in the Project to individuals or families whose income is 60 % or less of the area median gross income (including adjustments for family size), as more specifically provided herein;

WHEREAS, the Department has determined that the Project would support an allocation of Tax Credits in the amount of $ 390,624;

WHEREAS, the Project Owner has represented to the Department in the Application that it will impose additional rent restrictions _____ (Optional, check if applicable);

WHEREAS, the Project Owner is subject to the regulatory powers of the Department and other terms and conditions of chapter 2306, Tex. Gov. Code;

WHEREAS, the Code requires as a condition precedent to the allocation of Tax Credits that the Project Owner execute, deliver and record in the real property records of the county in which the Project is located this Declaration in order to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the Code by regulating and restricting the use, occupancy and transfer of the Project as set forth herein; and

WHEREAS, the Project Owner, under this Declaration, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Project shall be and are covenants running with the Project Land for the Term stated herein, are binding upon all subsequent owners and operators of the Project during such Term, and are not merely personal covenants of the Project Owner.

NOW, THEREFORE, in consideration of the premises set forth above, and of other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Project Owner and the Department agree as follows:

SECTION 1 - DEFINITIONS

(a) Unless the context otherwise requires, and in addition to those terms defined in the recitals set forth above, capitalized terms used in this Declaration shall have the following meanings:

"Act" means the Texas Government Code, Chap. 2306, as amended or any corresponding provision or provisions of succeeding law as it or they may be amended from time to time.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary of Housing and Urban Development for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 3(i) hereof.

"Board" means the governing Board of the Department.

"Compliance Period" means the period of 15 consecutive taxable years beginning with the first taxable year of the Credit Period, unless a longer period shall be elected at Appendix A hereto.

"Credit Period" means, with respect to any building in the Project, the period of ten taxable years beginning with the taxable year in which such building is placed in service or (at the election of the Owner) the following taxable year.

"Department Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by the Department, and modified by the Department from time to time, for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Project Owner and the Project with the provisions of Section 42 of the Code and to notify the Service of instances of noncompliance.

"Extended Use Period" means the period beginning with the first day of the Compliance Period and ending on the date which is 15 years after the end of the Compliance Period, unless a later date shall be set forth at Appendix A hereto or unless terminated earlier in accordance with Section 5 hereof.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, adjusted for family size, as provided in Section 4 hereof, unless an alternative income level shall be set forth at Appendix A hereto.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit, the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of the applicable Low-Income level.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Applicable Fraction" means the percentage with respect to a building in the Project, calculated as the lesser of the percentage of Units in such building which are Low-Income Units or the percentage of floor space of all Units in such building which is in Low-Income Units, all calculated as required pursuant to Section 42(c)(1) of the Code, which serves as the basis for the Department's allocation of Tax Credits to the building as provided in Section 4(c) hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"State" means the State of Texas.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Project Owner.

"Term" shall have the meaning set out in Section 5 hereof.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete physical facilities and fixtures for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy housing used on a nontransient basis may be treated as one or more Units.

(b) Any term or phrase which is used in this Declaration and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code, and if no meaning is assigned thereto in Section 42 of the Code, the meaning, if any, assigned in the Department Rules. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

(a) The Project Owner shall cause this Declaration and all amendments hereto to be recorded and filed in the official public land deed records of the county in which the Project is located, and shall pay all fees and charges incurred in connection therewith. Upon recording, the Project Owner shall immediately transmit to the Department an executed original of the recorded Declaration showing the date, deed book and page numbers of record. The Project Owner agrees that the Department will not issue the Internal Revenue Service Form 8609, evidencing final allocation of the Tax Credits, unless and until the Department has received the recorded executed original of the Declaration.

(b) The Project Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Declaration, that this Declaration and the covenants and restrictions set forth in this Declaration regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project Land, encumbering the Project Land for the Term of this Declaration and binding upon the Project Owner's successors in title and all subsequent owners and operators of the Project Land, and (ii) shall bind the Project Owner (and the benefits shall inure to the Department and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Declaration. The Project Owner hereby agrees that any and all requirements of the laws of the State of Texas to be satisfied in order for the provisions of this Declaration to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project Land. For the Term of this Declaration, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Declaration; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Declaration.

(c) The Project Owner shall obtain the written consent of any existing lienholder of record (each an "Existing Lienholder") on the Project to this Declaration and the requirements hereof, including specifically the requirements of Section 5(b)(1) and Section 5(c) with respect to provisions which survive or may be revived after foreclosure, and such consent shall be in a form promulgated by the Department from time to time and shall be a condition precedent to the issuance by the Department of Internal Revenue Service Form 8609, evidencing final allocation of the Tax Credits. The Project Owner represents and warrants to the Department that attached hereto as Addendum A and made a part hereof is an executed and acknowledged Lienholder's Consent from each Existing Lienholder, if any, as of the effective date hereof.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE PROJECT OWNER

The Project Owner hereby represents, covenants and warrants as follows:

(a) The Project Owner (i) is a Limited Partnership, duly organized and validly existing under the laws of the State of Texas, and is duly authorized and qualified to transact in the State any and all business contemplated by this Declaration and the Department Rules; (ii) possesses all requisite power, authority, licenses and permits to own its properties and assets and to conduct its business; and (iii) has all legal right, power and authority to execute and deliver this Declaration.

(b) The execution and performance of this Declaration by the Project Owner (i) will not violate or, as applicable, have not violated, any provision of law, rule or regulation, or any order of any court or other department of the State or governmental body, (ii) will not violate or, as applicable, have not violated, any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Project Owner is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

(c) The Project Owner has, at the time of execution and delivery of this Declaration, good and indefeasible fee simple title to [or a leasehold interest extending at least ten years beyond the end of the Extended Use Period in] the premises constituting the Project, free and clear of any lien or encumbrance, except those created by any loan documents relating to the Project, those which are created pursuant to this Declaration and those which are otherwise permitted encumbrances, as specifically set forth at Exhibit B hereto.

(d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Owner threatened, against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Declaration) or would materially adversely affect its financial condition.

(e) The Project constitutes or will constitute, and the Project Owner covenants, that commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Declaration, it shall maintain the Project as, a "qualified low-income housing project", as defined in Section 42(g) of the Code.

(f) Each Unit in the Project contains separate and complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation (unless the Project qualifies as a single-room occupancy project) which is to be used on other than a transient basis as provided in Section 42(i)(3) of the Code.

(g) The Project Owner will comply fully and at all times with the requirements of Texas Law and the Federal Fair Housing Act.

(h) During the Term of this Declaration, the Project Owner covenants, agrees and warrants that each Low-Income Unit is and will remain suitable for occupancy to the extent required by Texas Law and under regulations prescribed by the Secretary, taking into account local health, safety, and building codes.

(i) The Project Owner covenants that it will not sell, transfer or exchange any portion of any building in the Project unless it sells, transfers or exchanges the entire building to the same person. Subject to the requirements of Section 42 of the Code and this Declaration, the Project Owner may sell, transfer or exchange the entire Project or any building in the Project at any time, provided that the Project Owner shall require, as a condition precedent to any such sale, transfer or exchange, that the successor owner and operator assume, in writing, in an Assumption Agreement acceptable to the Department, the Project Owner's obligations hereunder and under Section 42 of the Code, which Assumption Agreement shall be delivered to the Department in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Project Owner agrees that the Department may void any sale, transfer or exchange of the Project if the successor owner and operator fails to execute and deliver an Assumption Agreement or if the Project Owner or the successor owner and operator otherwise acts in contravention of this Section 3(i).

(j) The Project Owner agrees to notify the Department in writing prior to any sale, transfer or exchange of the entire Project or any building therein, and to provide to the Department the name(s) and address(es) and financial reports, as applicable, of the prospective successor owner and operator of the Project or building, so the Department can determine the economic viability of such prospective successor and such Project or building.

(k) The Project Owner shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or permit the use of any Unit for any purpose other than rental housing during the Term of this Declaration, unless required by law.

(l) The Project Owner represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Owner will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Declaration.

(m) The Project Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Declaration are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

(n) The Project Owner agrees, warrants, and covenants to comply with all law, ordinances, statutes, codes, orders, rules, regulations and decrees of any Governmental Authority applicable to the Owner of the Project, including, without limitation, the following: the Civil Rights Act of 1964 (42 U.S.C. 2000(d); Executive Order 11-63, as amended by Executive Order 12259; Executive Order 11246; Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.); Fair Credit Reporting Act (15 U.S.C. 1681 et seq.); Fair Housing Act (42 U.S.C. 3601 et seq.); the Americans with Disabilities Act of 1990 (P.L. 101-336; Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.); Section 3 of the Housing and Urban Development Act of 1968; Executive Orders 11625, 12432 and 12138, as amended; the Copeland "Anti-Kickback" Act (18 U.S.C. § 874 et seq.); the Davis-Bacon Act (40 U.S.C. § 276a et seq.); Sections 103 and 107 of the Work Hours and Safety Standards Act. (40 U.S.C. § 327 et seq.); the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. § 4201 et seq.); the Housing and Community Development Act of 1974; the National Environmental Policy Act (42 U.S.C. § 4321 et seq.); ("NEPA"); the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4321 et seq.); the State of Texas Senate Bill 1356; Title 8, and Chapter 92 of the Texas Property Code; Solid Waste Disposal Act TEX. HEALTH & SAFETY CODE Ann. Ch. 361 (Vernon's 1992); Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act. TEX. HEALTH & SAFETY CODE Ann. Ch 363 (Vernon's 1992); County Solid Waste Control Act. TEX. HEALTH & SAFETY CODE Ann. Ch 364 (Vernon's 1992); Texas Clean Air Act, TEX. HEALTH AND SAFETY CODE Ann. Ch. 382 (Vernon's 1992); and Hazardous Communication Act, TEXAS HEALTH AND SAFETY CODE Ann. Ch. 502 (Vernon's 1992); and such Governmental Requirements as may be from time to time amended or superseded and all of their implementing regulations, as may be amended.

SECTION 4 - INCOME RESTRICTIONS/RENTAL RESTRICTIONS

The Project Owner represents, warrants and covenants throughout the Term of this Declaration and in order to satisfy the requirements of Section 42 of the Code that:

(a) (1) ____ At least 20% or more of the Units in the Project [are and] will continuously be maintained as both Rent-Restricted and occupied by individuals whose income is 50% or less of Area Median Gross Income.

(2) __X__ At least 40% or more of the Units in the Project [are and] will continuously be maintained as both Rent-Restricted and occupied by individuals whose income is 60% or less of Area Median Gross Income.

(Check applicable percentage election)

(b) The determination of whether a Tenant is a Low-Income Tenant shall be made by the Project Owner at least annually on the basis of the current income of such Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last annual income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the Project is rented to a person who is not a Low-Income Tenant. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit, provided that (i) reasonable attempts are made to rent the Unit and (ii) no other Units of comparable or smaller size in the Project are rented to persons who are not Low-Income Tenants. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code.

(c) The Project will contain 698 Units, of which at least 489 will be Low-Income Units. The amount of Tax Credits allocated to the Project is based on the requirement that the Minimum Applicable Fraction for each building in the Project will be at least 70 percent or as specified, building-by-building, at Appendix A hereto. During the Term of this Declaration, Units at the Project shall be leased and rented or made available to members of the general public who qualify as Low-Income Tenants, such that each building in the Project shall at all times satisfy the Minimum Applicable Fraction for such building. The Project Owner's failure to ensure that each building in the Project complies with such requirement will cause the Department to report such fact to the Service and may result in the reduction and recapture by the Service of Tax Credits, as well as other enforcement action.

(d) The Project and the Project Owner are subject to additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

(e) The Project Owner will not refuse to lease a Unit at the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

SECTION 5 - TERM OF DECLARATION

(a) This Declaration shall become effective with respect to a building in the Project on the first day of the Compliance Period for such building and shall terminate on the last day of the Extended Use Period, unless this Agreement is earlier terminated pursuant to Section 5(b) hereof (the "Term").

(b) Notwithstanding subsection (a) above, this Declaration shall terminate:

(1) with respect to any building in the Project, on the date such building is acquired by foreclosure (or instrument in lieu of foreclosure), unless the Secretary or his delegate determines that such acquisition is part of an arrangement with the taxpayer a purpose of which is to terminate such period; or

(2) following the end of the Compliance Period, if the Project Owner has properly requested that the Department assist in procuring a "Qualified Contract", as defined in the Code, for the acquisition of a building and the Department is unable to present a Qualified Contract. To properly request the Department's assistance in procuring a Qualified Contract for the acquisition of a building, the Project Owner must submit a written request to the Department no earlier than one (1) year prior to the expiration of the Compliance Period, or on the last day of any subsequent year of the Extended Use Period. The Department will have one (1) year from the date of the Project Owner's written request to find a buyer to acquire the Project Owner's interest in the building. The Department will attempt to procure a Qualified Contract for the acquisition of any building only once during the Extended Use Period.

(c) If this Declaration is terminated pursuant to subsection (b) above and notwithstanding anything herein to the contrary, the Tenant of any Low-Income Unit on the date of such termination shall be entitled to occupy such Unit in accordance with the provisions of this Declaration for a period of three years following such termination date, provided, however, that upon a showing of good cause, such Tenant's tenancy may be terminated or such Tenant evicted.

SECTION 6 - ENFORCEMENT, ADMINISTRATION AND COMPLIANCE

(a) The Project Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of Section 42 of the Code and this Declaration. Moreover, the Project Owner covenants to take any lawful action (including amendment of this Declaration as may be necessary in the opinion of the Department) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, the Service, or the United States Department of Housing and Urban Development, from time to time, pertaining to the Project Owner's obligations under Section 42 of the Code and affecting the Project.

(b) The Project Owner acknowledges that the primary purpose for requiring compliance by the Project Owner with the restrictions provided in this Declaration is to assure compliance of the Project and the Project Owner with Section 42 of the Code, AND BY REASON THEREOF, THE PROJECT OWNER, IN CONSIDERATION FOR RECEIVING THE TAX CREDITS FOR THIS PROJECT, HEREBY AGREES THAT THE DEPARTMENT AND ANY INDIVIDUAL WHO MEETS THE APPLICABLE INCOME LIMITATION UNDER SECTION 42 (WHETHER PROSPECTIVE, PRESENT OR FORMER TENANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE SPECIFIC PERFORMANCE BY THE PROJECT OWNER OF ITS OBLIGATIONS UNDER THIS DECLARATION IN A STATE COURT OF COMPETENT JURISDICTION. The Project Owner hereby further specifically acknowledges that the beneficiaries of the Project Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

(c) The Project Owner hereby agrees that the representations and covenants set forth herein may be relied upon by the Department and all persons interested in Project compliance under Section 42 of the Code.

(d) The Project Owner acknowledges that the Department is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Project Owner's and the Project's compliance with the requirements of Section 42 of the Code, and (ii) to notify the Service of any noncompliance which is found. The Project Owner agrees (I) to maintain records that substantiate and document such compliance, (II) to take all actions required by the Department pursuant to the Department Compliance Monitoring Procedures to assist or cooperate with the Department in monitoring such compliance, and (III) to pay the fee prescribed by the Department with respect to such monitoring.

(e) The Project Owner agrees that the Department may enforce all state and federal law through this Declaration, and utilize for such purpose any and all remedies available to the Department including but not limited to administrative or judicial action, appointment of trustee or receiver, or assume the management and operations of the Development.

(f) The Project Owner agrees the Department may, at reasonable times and upon adequate notice at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

(g) The Project Owner agrees the Department may, at reasonable times and upon adequate notice, examine all books and records relating to the operations, capitalization, income, expenses and other financial and regulatory matters of the Project or the Project Owner.

(h) The Project Owner agrees that the Department may at any time order it and/or its managing agent or Project manager to do whatever is necessary to comply with or refrain from violating an applicable law, ordinance, Department rule, or term of an agreement regarding the Project, and that the Department may file and prosecute a complaint against a managing agent, Project manager, or the Project Owner for a violation of any applicable law or ordinance.

(i) Upon a determination by the Department that the Project Owner has failed to maintain the Project in good and habitable condition and suitable for occupancy as hereinabove required, the Project Owner agrees, upon the Department's direction, to establish a reserve for replacement and repairs to the Project in such initial amount and with such monthly deposits as the Department may direct. Such reserve shall be held for the benefit of the Project Owner by such party as the Department shall direct, and disbursements shall be made therefrom only upon approval by the Department.

(j) The Project Owner agrees to indemnify and hold harmless the Board members, Department officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Department as a result of any material inaccuracy in any of the representations and warranties contained in this Declaration, or as a result of any action by the Project Owner, including claims by third parties.

(k) The Project Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against the Department which arise out of any of the matters relating to this Declaration, Project Owner will cooperate fully with the Department in the defense or other disposition thereof.

SECTION 7 - FEES

(a) In order to compensate the Department for its responsibilities pursuant to the Act and Section 42(m)(1)(B)(iii) of the Code, the Project Owner shall pay to the Department an annual administrative fee for the first twelve month period of this Declaration in the amount of $15 per Unit required to be held available under Section 4(c) hereof, but in no event shall the fee be less than $100.

(b) If the Department shall find the Project not to be in compliance with the terms hereof, the Project Owner shall pay to the Department (i) an additional administrative fee in an amount prescribed from time to time by the Department, which amount for the first twelve month period of this Declaration, shall not exceed $15 per Unit required to be held available under Section 4(c) hereof, for additional monitoring and enforcement activities undertaken with respect to the Project and (ii) all amounts required to reimburse the Department for its expenses in performing such additional monitoring and enforcement activities. The administrative fee payable in the event of noncompliance shall be in addition to, and distinct from, the amount due pursuant to Section 7(a), as well as any reimbursements of costs and legal fees to which the Department may be entitled as a result of judicial enforcement action, and such fee shall be payable without respect to whether the Department undertakes or succeeds in judicial enforcement activities, and any right to be compensated therefor, for a period of up to three years following its most recent finding of noncompliance with respect to the Project.

(c) For each successive twelve month period following the initial twelve month period of this Declaration, the administrative fees payable to the Department hereunder shall be the amounts established for the most recent administrative fee, multiplied by the increase in the Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor (or generally recognized successor to such Index) for the same twelve month period of time.

(d) Notwithstanding anything in Sections 7(a) and (c) of this Declaration to the contrary, Project Owner shall not be required to pay an annual administrative fee during the Term of this Declaration if prior to the issuance by the Department of Internal Revenue Service Form 8609, Project Owner has paid to the Department with respect to the Project a lump sum compliance monitoring fee for the entire Term as set forth in the Department Rules and the application submission procedures manual produced by the Department in connection with the allocation of Tax Credits. Provided, however, Project Owner will be required to pay any additional administrative fees owed from time to time during the Term of this Declaration in accordance with Section 7(b) hereof.

(e) The Project Owner agrees that it will pay the annual administrative fee at the times required by the Department therefor and that it will pay all additional charges, fees, and expenses assessed hereunder by the Department within ten (10) days of receipt of written notice of any such assessment.

SECTION 8 - MISCELLANEOUS

(a) Severability. This Declaration is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Declaration or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Declaration and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

(b) Notices. All notices to be given pursuant to this Declaration shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, delivered by hand, or delivered by any other method permitted by law, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing.

To the Department:

Texas Department of Housing & Community Affairs
507 Sabine, Suite 400
P.O. Box 13941 Capital Station
Austin, Texas 78711-3941
Attn: Low Income Housing Tax Credit Program

To the Project Owner:

Brandywood Housing, Ltd.
1800 S. Washington, Suite #311
Amarillo, TX 79102
Attn: Dale Cook

The Department, and the Project Owner, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

(c) Amendment. This Agreement may not be amended or modified except by written instrument signed by Project Owner and approved by Department, or their respective heirs, successors or assigns, which instrument shall not be effective until it is recorded in the real property records in the county where the Property is located. Upon request by the Department, the Project Owner agrees that it will take all actions necessary to effect any amendment of this Declaration which may be necessary in the Department's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

(d) Subordination of Declaration. This Declaration and the restrictions hereunder are subordinate to all loans and loan documents, if any, relating to the Project, except as provided in Sections 5(b)(1) and 5(c) hereof and in the Consent and Subordination of Existing Lienholder, with respect to each existing lienholder, attached hereto.

(e) Governing Law. This Declaration shall be governed by the laws of the State of Texas, and, where applicable, the laws of the United States of America.

(f) Survival of Obligations. The obligations of the Project Owner as set forth herein and in the Application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

(g) Interpretation. The Department's interpretation of this Declaration shall be controlling for purposes of determining whether (i) the Compliance Period and/or Credit Period shall have commenced, (ii) this Declaration shall have been terminated in accordance with Section 5 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

IN WITNESS WHEREOF, the Project Owner has caused this Declaration to be signed by its duly authorized representative, as of the day and year first written above.

PROJECT OWNER:
Brandywood Housing, Ltd.

By: Lana J. Peterson

Name: Lana J. Peterson

Title: Secretary, Brandywood Housing Corporation/GP

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

By:

Name: DAISY STINER

Title: Director of Housing Programs

STATE OF TEXAS

COUNTY OF Potter

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that LANA J. PETERSON, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, being informed of the contents of such document, executed the same voluntarily. Given under my hand, official seal this 15 day of December, 1996.

JAY T. McILRAITH
NOTARY PUBLIC,
STATE OF TEXAS
MY COMMISSION EXPIRES 6-26-2000

Notary Public

My Commission expires: 6/26/2000

STATE OF Texas

COUNTY OF Travis

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Daisy Stiner, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, being informed of the contents of such document, executed the same voluntarily. Given under my hand, official seal this 30 day of December, 19 96.

YOLANDA MARI PORCHE
MY COMMISSION EXPIRES
May 28, 2000

Notary Public
My Commission expires: _____

AMERICAN HOUSING FOUNDATION

JAY T. McILRAITH

806/372-7500
Fax: 806/372-7508

P.O. Box 7606
Amarillo, Texas 79114-7606

5 | H-32-2750

EXHIBIT A

LEGAL DESCRIPTION

METES & BOUNDS DESCRIPTION

A 28.7196 ACRE TRACT OF LAND OUT OF THE 57.1617 ACRE TRACT OF LAND AS RECORDED IN VOLUME 7072, PAGE 31 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, BEING ALSO OUT OF THE FABRICUS REYNOLDS SURVEY, ABSTRACT 643, HARRIS COUNTY TEXAS. SAID 28.7196 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 5/8 inch iron rod found at the intersection of the north right-of-way line of Spencer Road (100 feet wide) with the east right-of-way line of Denkman (60 feet wide), being also the southwest corner of the herein described tract of land;

THENCE, North along the east right-of-way line of said Denkaman, also being the west boundary line of the herein described tract of land, a distance of 1409.50 feet to a 5/8 inch iron rod set for corner;

THENCE, N 89°d59'33" E, departing said east right-of-way line of Denkman and along the northerly boundary line of the herein described tract of land, a distance of 894.21 feet to a 5/8 inch iron rod found for corner;

THENCE, S 0°d11'14" W, a distance of 104.53 feet to an "X" in concrete found for corner;

THENCE, S 89°d48'31" E, a distance of 834.39 to a 5/8 inch iron rod found on the westerly right-of-way line of Red Bluff Road;

THENCE, S 19°d19'46" E, along the said westerly right-of-way line of Red Bluff Road, a distance of 235.08 feet to 5/8 inch iron rod found for corner;

THENCE, N 89°d57'50" W, departing said westerly right-of-way line of Red Bluff Road, a distance of 800.87 feet to a 5/8 inch iron rod set for corner;

THENCE, S 27°d07'30" W, a distance of 372.73 feet to a 5/8 inch iron rod found for corner;

THENCE, N 62°d58'22" W, a distance of 52.92 feet to a 5/8 inch iron rod found for corner;

THENCE, S 27°d07'45" W, a distance of 364.05 feet to a 5/8 inch iron rod found for corner;

THENCE, N 63°d10'48" W, a distance of 40.02 feet to a 5/8 inch iron rod found for corner;

THENCE, S 27°d07'30" W, a distance of 731.72 feet a an "X" in concrete found on the northerly right-of-way line of said Spencer Road;

THENCE, along the said northerly right-of-way line of Spencer Road, a curve with an arc distance of 273.49 feet having to the left a central angle of 7°d54'21" and a radius of 1982.06 feet with a chord that bears N 67°d33'51" W, a distance of 273.27 feet returning to the POINT OF BEGINNING of the herein described tract of land and containing 28.7196 Acre (1,251,024 square feet) of land.

EXHIBIT A

APPENDIX A

ADDITIONAL USE RESTRICTIONS

Check all items which apply.

☐ Additional Occupancy Restrictions

At least ___ Units in the Project must be occupied by Tenants at or below ___% of Area Median Gross Income.

☐ Longer Compliance Period and Extended Use Period

The Compliance Period shall be a period of ___ consecutive taxable years and the Extended Use Period shall be a period of ___ consecutive taxable years, each commencing with the first year of the Credit Period.

☒ Material Participation by Qualified Nonprofit Organization

Throughout the Compliance Period, a "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall own an interest in the Project and shall materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Project.

☐ Right of First Refusal to Tenant or Qualified Nonprofit Organizations for developments allocated credits in the 1995B cycle and later.

If at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, the Project Owner shall, prior to any such sale, notify the Department of its intent to sell the Project. If, within the 90-day period following receipt of such notice, the Department shall identify one or more qualified nonprofit organizations, within the meaning of Section 42(h)(5)(C) of the Code, or tenant organizations, any of which shall make a *bona fide* offer to purchase the Project for a purchase price equal to the sum of (i) the principal amount of outstanding indebtedness secured by the Project (other than indebtedness incurred within the 5-year period immediately preceding the date of said notice) and (ii) all Federal, State and local taxes incurred or payable by the Project Owner as a consequence of such sale, the Project Owner shall sell the Project pursuant to such offer. If the Project shall, in accordance with the Declaration, have a Minimum Applicable Fraction of less than 1, the *bona fide* offer from a tenant or qualified nonprofit organization to purchase the Project shall be no less than the sum of (I) the purchase price calculated in accordance with the preceding sentence multiplied by the Minimum Applicable Fraction and (II) the fair market value of the non-Low-Income Units. If the Department or the Project Owner shall receive *bona fide* offers to purchase the Project from more than one tenant or qualified nonprofit organization, the Project Owner shall sell the Project to the tenant or qualified nonprofit organization selected by the Department on such basis as it shall determine appropriate. The Department shall have the right to adopt procedures for (i) identifying tenant or qualified nonprofit organizations willing to purchase the Project, (ii) evaluating *bona fide* offers to purchase the Project, and (iii) determining the purchase price of the Project pursuant to the provisions of this paragraph. The tenant or nonprofit organization's exercise of the right of first refusal shall not terminate the Extended Use Period under the terms of this Declaration.

☒ Right of First Refusal to Tenant or Qualified Nonprofit Organizations for allocations prior to the 1995B cycle

If at any time after the fifteenth year of the Compliance Period, the Project Owner shall determine to sell the Project, the Project Owner shall, prior to any such sale, notify the Department of its intent to sell the Project. If, within the 90-day period following receipt of such notice, the Department shall identify one or more qualified nonprofit organizations, within the meaning of Section 42(h)(5)(C) of the Code, or tenant organizations, any of which shall make a *bona fide* offer to purchase the Project for fair market value, the Project Owner shall sell the Project pursuant to such offer. If the Department or the Project Owner shall receive *bona fide* offers to purchase the Project from more than one tenant or qualified nonprofit organization, the Project Owner shall sell the Project to the tenant or qualified nonprofit organization selected by the Department on such basis as it shall determine appropriate. The Department shall have the right to adopt procedures for identifying tenant or qualified nonprofit organizations willing to purchase the Project or evaluating *bona fide* offers to purchase the Project. The tenant or nonprofit organization's exercise of the right of first refusal shall not terminate the Extended Use Period under the terms of this Declaration.

APPENDIX A

ADDITIONAL USE RESTRICTIONS (CONTINUED)

☐ Community Based Board

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall be governed by a community based board, the majority of whose members live in the Project's community.

☐ Supportive Services

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide the following services: _____

☐ Senior Projects

Throughout the Compliance Period, unless otherwise permitted by the Department ☐ at least 80% of the Units must be restricted to households in which at least one family member is 55 years of age or older OR ☐ 100% of the Units must be restricted to households in which all household members are 62 years of age or older.[1]

☒ Handicapped Accessibility

Throughout the Compliance Period, unless otherwise permitted by the Department ☐ at least 2% of the Units must be equipped for persons with physical or mental disabilities, ☐ at least 3% of the Units must be equipped for persons with physical or mental disabilities OR ☒ 5% of the Units must be equipped for persons with physical or mental disabilities. Equipped means that all the features that make the units fully usable by such persons are installed in the units upon completion of construction or rehabilitation and are designed to meet ANSI standards.

☐ Housing for Agricultural Workers

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide housing for agricultural workers.

☐ Transitional Housing for the Homeless

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project shall provide transitional housing for homeless persons, on a non-transient basis, with supportive services designed to assist Tenants in locating and retaining permanent housing.

☒ Public Housing Waiting Lists

Throughout the Compliance Period, unless otherwise permitted by the Department, the Project Owner shall consider prospective Tenants referred to from the waiting list of the Housing Authority of Pasadena.

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[1] Note: The Federal Fair Housing Act requires, generally, that projects which are limited to occupancy by older persons either (i) be restricted to households in which all members are 62 years or older or (ii) provide significant facilities and services for the elderly or meet certain other requirements and be limited to households in which at least one member is 55 years or older. See 24 C.F.R. §§100.300-100.304 for exact requirements. All tax credit projects must comply with these requirements, as applicable under Federal law, in addition to the Declaration.

APPENDIX A

MINIMUM APPLICABLE FRACTION BY BUILDING

	Building Number	Building Identification Number (BIN)	Minimum Applicable Fraction
23	XXX 1	TX-95-00200	70
25	XXX 2	TX-95-00202	70
27	XXX 3	TX-95-00204	70
50	XXX 4	TX 95-00227	70
51	XXX 5	TX-95-00228	70
	6		
	7		
	8		
	9		
	10		
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RECORDER'S MEMORANDUM
AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

HTC 95005

511-32-2715

FILED

96 DEC 31 AM 10: 13

COUNTY CLERK
HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW

THE STATE OF TEXAS }
COUNTY OF HARRIS }

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

DEC 31 1996

COUNTY CLERK
HARRIS COUNTY TEXAS

TDHCA # 95005 Name: Brandywood Housing Cooperative

EXHIBIT 4 A. Unit Information (In the table below, enter the requested information for the entire project.)*

1	2	3	4	5	6	7	8	9
Unit Type	Number of Bedrooms	Number of Units	Size of Unit in Sq. Ft.	Total Sq. Ft. (Col. 3 x Col. 4)	Gross Rent Per Unit	Utility Allowance Per Unit	Tenant Paid Rent Per Unit (Col. 6 - Col. 7)	Total Monthly Rent (Col. 3 x Col. 8)
Low Income Residential Units								
A	1	103	552	56,856	344	44	300	30,900
B	1	26	662	17,212	354	44	310	8,060
C	1	50	670	33,500	394	44	350	17,500
D	1	57	720	41,040	384	44	340	19,380
E	2	6	832	4,992	480	55	425	2,550
F	2	87	913	79,431	505	55	450	39,150
G	2	36	924	33,264	480	55	425	15,300
H	2	69	950	65,550	480	55	425	29,325
I	2	55	1,060	58,300	520	55	465	25,575
J	3	9	1,220	10,980	646	66	580	5,220
K	3	12	1,340	16,080	696	66	630	7,560
L	3	2	1,550	3,100	716	66	650	1,300
Total		512		420,305				201,820
Market Rate Residential Units								
A	1	41	552	22,632	344	44	300	12,300
B	1	10	662	6,620	354	44	310	3,100
C	1	24	670	16,080	394	44	350	8,400
D	1	19	720	13,680	384	44	340	6,460
E	2	2	832	1,664	480	55	425	850
F	2	29	913	26,477	505	55	450	13,050
G	2	12	924	11,088	480	55	425	5,100
H	2	23	950	21,850	480	55	425	9,775
I	2	19	1,060	20,140	520	55	465	8,835
J	3	3	1,220	3,660	646	66	580	1,740
K	3	4	1,340	5,360	696	66	630	2,520
L	3		1,550	0	716	66	650	0
Total		186		149,251				72,130
Grand Total		698		569,556				273,950

*The unit type distribution and total square footage figures must tie with those shown in Exhibit 4, C.

POTENTIAL GROSS ANNUAL RENTAL INCOME			3,287,400
Provision for Vacancy & Collection Loss	% of Potential Gross Income:	-	0
Rental Concessions		-	
Deduct for Employee & Other Non-Rental Units	Number of non-income units:	-	
EFFECTIVE GROSS ANNUAL RENTAL INCOME		=	3,287,400
Other Non-Rental Income	Source 1.	+	
	Source 2.	+	
	Source 3.	+	
EFFECTIVE GROSS ANNUAL INCOME		=	3,287,400

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

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 unhiding the columns between J and Z in Excel.

Development Name: Brandywood Apartments **City:** Houston

Unit Type				Building Configuration																Total # of Buildings	
				Building Label	SP1	SP2	SP3	SP4	SP5	SP6	SP8	SP9	SP10	SP12	SP13	SP14	SP15	SP16	SP17	RB16	RB17	
				Number of Buildings	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	17
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit	Number of Units Per Building																Total # of Units	Total Sq Ft for Unit Type
bwa3	1	1	670		6	4	8								8							26	17,420
bwa4	1	1	720		4	8		16	4	8	8	4			8		4					64	46,080
bwb2	2	2	913																	8	8	16	14,608
bwb3	2	2	950						8	8		8	12	8		16	8	8	12		4	92	87,400
bwb1	2	2	1,060		6	4	8		8	8		8			8		8					58	61,480
bwc2	3	2	1,340		2																	2	2,680
																						-	-
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				Totals	18	16	16	16	20	24	8	20	12	8	24	16	20	8	12	8	12	258	229,668

Net Rentable Square Footage from Rent Schedule: -

If the net rentable square footage from the rent schedule and the net rentable square footage from this exhibit do not match, please check the unit square feet or the number of each unit type for consistency.

Interior Corridors (for elevator served elderly or high-rise buildings)																					-
Common Area (for Single Room Occupancy buildings [see QAP §49.9(i)(8)])																					-
				Totals																	229,668

Building Label

SP1	6411 Spencer Hwy Building 1	SP6	6411 Spencer Hwy Building 6	SP13	6411 Spencer Hwy Building 13	RB16	5150 Red Bluff Rd Building 16
SP2	6411 Spencer Hwy Building 2	SP8	6411 Spencer Hwy Building 8	SP14	6411 Spencer Hwy Building 14	RB17	5150 Red Bluff Rd Building 17
SP3	6411 Spencer Hwy Building 3	SP9	6411 Spencer Hwy Building 9	SP15	6411 Spencer Hwy Building 15		
SP4	6411 Spencer Hwy Building 4	SP10	6411 Spencer Hwy Building 10	SP16	6411 Spencer Hwy Building 16		
SP5	6411 Spencer Hwy Building 5	SP12	6411 Spencer Hwy Building 12	SP17	6411 Spencer Hwy Building 17		

HTC 95005

SUMMIT HOUSING PARTNERS, L.L.C.

May 4, 2009

Robbye Meyer
Multifamily Finance Production Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

RE: Ceiling Fan Deficiency Follow-up
Village Park Apartments – TDHCA File No: 05629/05629B – CMTS: 4331

Robbye,

We greatly appreciate your working with us towards an alternative solution to the installation of ceiling fans at Village Park. Due to the exorbitant cost and inconvenience to the residents related to the fan installation, we would like to propose the installation of new microwave oven/range hood combinations above the ranges in each unit as a substitution. We have determined that the installation is feasible and are currently pricing. Based on the installation costs at other projects, I expect this cost to come in somewhere between $135K and $165K depending on what circuitry has to be added.

In addition, the original agency write-up for the April Board Meeting noted we have some additional amenities on site that had not been proposed as substitutions as part of our amendment request or claimed on the original application. We would like to offer these amenities as additional substitutes for the fans. Pictures of these amenities are attached. They include:

- An Equipped Computer Learning Center
- Furnished Community Room

We understand that the substitutions/waivers described above are subject to TDHCA Board approval. Thank you again for working with us towards a resolution. Please let me know if you have any questions or need additional information.

Sincerely,
Summit Housing Partners, LLC

Tom Champion

105 Tallapoosa Street, Third Floor • Montgomery, Alabama 36104
Telephone: 334.954.4458 • Facsimile: 334.954.4496

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VILLAGE PARK APARTMENTS

CURRENT STATISTICS AND AMENDMENT REQUEST SUMMARY

May 21, 2009

Location:	Houston, TX
Number of Units:	418
Rent Restrictions:	85% (355 units) proposed in Application / 87% (364 units) as built
Number of Residents:	899 (352 under 18)
Current Occupancy:	90%
Occupancy in Sub-Market:	87
UPCS Physical Assessment Score:	92

Deficiency	Proposed Substitution/Comment
Building count in application does not match count in cost certification	*Buildings can be counted in two ways as some are semi attached by breezeways. Survey and site plan have not changed since application submission.
Ceiling fans are located in all unit living areas but not in bedrooms per requirement Ceiling Fan Bid: $839,425	*Install new Microwave/Range Hood combination above ranges in all units *New in-place Equipped Computer Learning Center offered as additional substitute (+4 points). *In-place Furnished Community Room offered as additional substitute (+2 points)
Accessible Walking Path (-2 points)	*New in-place Children's Activity Center/Kid's Club after school program offered as substitute (+6 points)
Community Garden (-2 points)	*Community Garden will be constructed (+ 2 points)

Sports Court (-4 points)	*Pre-existing volleyball court was removed based on resident feedback and replaced with playground equipment. *In-place Soccer area offered as substitute (+4 points) *Will re-install volleyball court if desired by Board.
Two Children's Playgrounds	*New Children's Playground was installed in a 57 x 31 foot area outside where the original playground is located.
Full Perimeter Fence with Controlled Gate Access (-6 points)	*Full Perimeter Fence with Guardhouse as built (+4 points) *In-Place Public Telephones offered as substitute (+4 points)
627 Parking Places noted in Application	*There are 551 parking places on site per the original ALTA/ACSM survey and construction plans.
Proposed Applicable Fraction was 85% / Applicable Fraction as submitted in cost Certification is 87%	*Management was able to qualify 87% (364 rent restricted & 54 market units) rather than the proposed 85% (355 rent restricted & 63 market rate units)

Notes

1 – Accepted Amendment Proposal would result in a +12 amenity point increase from Application.

2 – Please see attached for Social Services detail.

Village Park

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Service Coordinator:
Carla Pena and Property Staff

1. **Education/Scholastic Tutoring**
   - Cedar Brook Elementary

2. **After School Program**
   - UOI

3. **Community Safety-Personal Protection/Crime Watch**
   - (Local Fire and Police Departments)

4. **Back to School Supplies**
   - Village Park Property Staff

5. **ESL through**
   - Spring Branch ISD

6. **Crafts**
   - UOI

7. **Social/Seasonal activities such as:**
   (Monthly Community Meetings, National Night Out, & all Holiday celebrations)

8. **Youth Prayer Rally**
   - First Baptist Church

9. **Summer Lunch Program**

10. **Youth Programs**
    - Second Baptist

11. **Computer Facilities**
    - Consulado Mexicano

12. **Counseling Services**
    - The Work Source

13. **Financial Planning**
    - Wholesale Mortgages (Claudia Guzman)

14. **Budgeting**
    - Wholesale Mortgages (Claudia Guzman)

15. **Homebuyer Education**
    - Wholesale Mortgages (Claudia Guzman)

16. **Credit Counseling**
    - Wholesale Mortgages (Claudia Guzman)

05629

GEORGE CAGLE CONSTRUCTION, INC

DBA CAGLE CONTRACTORS
M. GEORGE CAGLE, PRESIDENT
3171 ROSEMONT COURT
MILLBROOK, AL 36054
OFFICE #334-285-2877 FAX #334-285-1389 CELL#334-799-5355

Send to: Summit Asset Management	**From: George Cagle**
Attention: Tom Champion	**Date: 05-26-09**
Office Location: Montgomery, Al	**Office Location:**
Fax Number: 334-954-4496	**Phone Number:**

- ☐ **Urgent**
- ☐ **Reply ASAP**
- ☐ **Please comment**
- ☐ **Please Review**
- ☐ **For your Information**

Total pages, including cover: 2

Comments:

05629

Eagle Contractors

3171 Rosemont Court
Millbrook, Al 36054
Phone (334) 285-2877
Fax (334 285-1389
emj1560@aol.com

May 29, 2009

To: Summit Asset Management
105 Tallapoosa Street
Montgomery, Al 36104
Phone 334-956-4458
Fax 334-954-4496

Attn: Tom Champion

Re: Microwave Installation Proposal for Village Park Apartments - 8701 Hammerly Blvd. , Houston, TX 77080

Scope of Work as Follows:

Install 418 microwave hood @ 320.00 ea.	$133,760.00
Total Project Cost Labor and Materials	$133,760.00

Sincerely,

George Eagle

Signature

05629

SUMMIT ASSET MANAGEMENT, L.L.C.

105 Tallapoosa Street, Suite 300
Montgomery, Alabama 36104

Telephone: 334.954.4458
Telecopier: 334.954.4496

February 13, 2009

Ben Sheppard
Multifamily Finance Production Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

Kimbal Thompson
Inspection Specialist
Real Estate Analysis Division
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

Rosalio Banuelos
Cost Certification Specialist
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
221 East 11th Street
Austin, Texas 78701-2410

RE: Deficiency Letter Follow-up Notice Response
Village Park Apartments – TDHCA File No: 05629/05629B – CMTS: 4331 (Administrative Deficiencies)

Gentlemen,

As you are aware, Summit Asset Management, LLC (the "Developer") has received letters concerning Administrative Deficiencies at the above referenced community. The deficiencies addressed in this letter concern application deficiencies, which were committed to in the property's original LIHTC application but not present at the time of inspection and/or arose as part of the cost certification review.

In response to the application deficiencies, the Developer is providing this letter addressing each deficiency in detail, with a written certification and other supporting documentation as evidence that corrective action either has been taken, or requesting waivers/approval for substitutions.

As you know our goal is to provide quality affordable housing to the residents of Village Park Apartments. We believe our acquisition; rehabilitation and management efforts at the property have, and will continue to accomplish this goal. We sincerely apologize to the Agency any discrepancies between the original application and

final product at Village Park. However, we believe the final product is actually superior to the one contemplated in the application.

We greatly appreciate your efforts to help us achieve compliance and ultimately the issuance of 8609s. As part of our efforts to facilitate this process, we are not asking for any additional credits for the costs associated with additional work detailed below.

Please see the response below which follows the outline of the Agencies Deficiency Letter Follow-Up notice dated December 18, 2008:

- **Deficiency #1:** The application identified 29 residential buildings as one of the representations to be included in the development. At inspection, only 26 were reported as observed.

  Response/Corrective Action: There are 25 residential buildings at the property. Volume 1, Tab 2 Activity Overview shows buildings labeled 1-26 with no unit mix for building for #10. Volume 3, Tab 1, Part B references 26 residential buildings and 4 non-residential buildings. Prior to Village Park Apartments Partners, Ltd. taking ownership of the Project, Building #10 was damaged in a fire and not re-built. The ALTA/ACSM Land Title survey attached as Exhibit A shows 25 residential buildings and 4 non-residential buildings at Village Park Apartments.

  Please accept this as our formal request to amend the application as required to indicate 25 residential buildings and 4 non-residential buildings.

- **Deficiency #2:** The application identified Ceiling Fans as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

  Response/Corrective Action: Ceiling fans are included in the living areas at the property but are not included in the bedrooms. As-built, no ceiling fixtures exist in any bedroom type, and installation of ceiling fans in all bedrooms would require replacement of approximately 240 electrical panels. The cost of ceiling fan installation and electrical panel replacement would be $839,425, or $2,008/unit. Also, the property operates under an Asbestos O&M Program and there could be additional costs associated with demolition and renovation activities; plus additional costs associated with tenant relocation. Given the extensive cost and potential relocation of residents, the Developer does not believe ceiling fan installation is feasible at the property and respectfully requests TDHCA waive this requirement of the 2005 Qualified Allocation Plan. Please see Exhibit B for a clarification from the architect as to the extent of the work required for the addition of ceiling fans in all bedrooms along with a bid from the general contractor for the required work.

  With the ceiling fan installation infeasible, the Developer is proposing to build a pavilion with picnic tables and barbecue grills for the residents in accordance with TDHCA specifications. The total cost of building the pavilion (inclusive of the Community Garden discussed in Deficiency 4 below) is approximately $76,877. Please see Exhibit C for a plan and bid for this replacement amenity. It will take approximately 45 days from permitting to complete this addition. Please note that this deficiency was not intentional on the part of the Developer, but was a result of a misunderstanding in that the requirement for ceiling fans was assumed to be met in that all of the units had ceiling fans. The mistake was regarding the requirement that all the bedrooms have them also.

Please accept this as our formal request to amend the application to waive the requirement for ceiling fans in all bedrooms, and accept the pavilion as a replacement amenity that will enhance the quality of life for the residents (+2 point amenity).

- **Deficiency #3:** The application identified Accessible Walking Path as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

  Response/Corrective Action: Accessible walking path was included in both the Bond application and the LIHTC application. The Developer included Accessible Walking Path and believed it to be distinct from the ¼ mile walking trail presented in the application. The Developer mistakenly interpreted Accessible Walking Path as being the accessible concrete walkways winding through the property. The developer proposes to provide a children's activity center as a replacement amenity. Our staffed "Kids Club" is an after school program that provides activities from 2:30 to 5:00 along with lunch and snacks in the summer time.

  Please accept this as our formal request to amend the application to delete the "accessible walking path" amenity (-1 point), and add the "children's activity center amenity" (+3 points). Please see Exhibit D for photos of the children's activity center.

- **Deficiency #4:** The application identified Community Garden as one of the amenities to be included in the Development. At inspection, the amenity was reported as not observed.

  Response/Corrective Action: A community garden will be constructed at the property and will be accessible to all residents. The total cost of building the community garden and pavilion discussed under Deficiency 2 above is approximately $76,877. Please see Exhibit B for a site plan and bid for the addition of this amenity.

- **Deficiency #5:** The application identified Sports Court as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

  Response/Corrective Action: A sports court was included in both the Bond application and the LIHTC application. A volleyball court was present at the time of application submittal, but was removed post-closing after surveying community interests. The volleyball court was located adjacent to the children's playground and was replaced with additional children's playground equipment. In lieu of a volleyball court; a soccer area was put in on the other side of the existing playground based on the resident survey. The Developer respectfully requests the substitution of the soccer area for the volleyball court in order to meet the sports court amenity requirement. Please see Exhibit E for photos of the new playground equipment where the volleyball court was located, and of the soccer area.

- **Deficiency #6:** The application identified Two Children's playgrounds equipped for 5-12year olds, two tot lots, or one of each as one of the amenities to be included in the development. At inspection, the amenity was reported as not observed.

Response/Corrective Action: Two Children's playgrounds equipped for 5-12year olds, two tot lots, or one of each was included in both the Bond application and the LIHTC application, and are included on-site. Post-closing, additional playground equipment was installed in a 57' by 31' bordered area that was where the volleyball court was located. The original playground in located in an adjacent bordered area with dimensions of 99' by 95'. The Developer believes the installation of the new playground equipment is distinct from the existing playground and satisfies the requirement. Please see Exhibit E for photos of the new equipment where the volleyball court was.

In addition to the possible amendment issues above that were indentified during the final inspection, Mr. Banuelos asked that we address the following possible amendment issues identified in his cost certification review:

- **Deficiency A**: The Application identified efficiency units. There were no efficiency units noted on the Cost Certification rent schedule.

  Response/Corrective Action: There are 4 efficiency units on site. Please see Exhibit F for a revised cost certification rent schedule identifying these units as efficiency units rather than small 1 bedroom units.

- **Deficiency B**: The Application identified controlled gate access as an amenity. This amenity was not observed during the inspection.

  Response/Corrective Action: "Full perimeter fencing with controlled gate access" was marked on the application. "Full perimeter fencing without controlled gate access" should have been marked. The developer believes this was misinterpreted by our staff as the entry to the site does have a guard shack.

  Please accept this as our formal request to amend the application as required to delete "full perimeter fencing with controlled gate access" (-3 points), and add "full perimeter fencing without controlled gate access" (+2points). To replace the lost point we would also like to substitute "public telephone(s) available to tenants 24 hours a day" (+2 points) as an amenity. Please see Exhibit G for photos of the guard shack and fencing. Photos of the public phones will follow this letter.

- **Deficiency C**: The Application identified 627 parking places while the Cost Certification only identified 551 parking places.

  Response/Corrective Action: This was clearly an error on the application. There are 551 parking places on site per the ALTA/ACSM Land Title Survey of the property.

  Please accept this as our formal request to amend the application to indicate there are 551 parking places on site.

Deficiency D: The Application set aside was 85% (355) LIHTC units and 15% (63) market rate units. The set aside per the Cost Certification rent schedule is 86% (364) LIHTC units and 14% (54) market rate units.

Response/Corrective Action: The Partnership and Developer are very sensitive to avoiding the forced relocation of residents. The Application identified the anticipated number of LIHTC and market rate units at the time of submission. The cost certification rent schedule reflects the actual and final unit mix at the property based on the final tax credit qualifying of the existing residents. The Partnership was able to qualify 86%, or 364 LIHTC units reserving them for qualified households, and 14%, or 54 units for market rate households.

Based on the responses above, there should be a net increase in points scored by the project. While we are not asking for additional application changes, the Developer would like to note that there are additional amenities being offered to the residents at the property that were not referenced in the original application, but would qualify for additional points such as the equipped computer learning center (2 points) and the furnished community room (1 point). Please see Exhibit H for photos of these amenities.

We understand that the substitutions/waivers described above will be subject to TDHCA Board approval, and if approved, the owner will immediately begin the work detailed; which should be completed in 45-60 days. Should the Board approve our requests, we hope that we can proceed with the process of cost certification and issuance of 8609s. Should the work not be completed prior to the next compliance inspection, we understand we could be subject to the filing of 8823s. In the current housing tax credit environment, our LIHTC syndicator is eager to receive 8609s to pass along to our ultimate investor partner in the property. While we intend and desire to abide by all program guidelines, we also want our ultimate investor to be satisfied in hopes that it leads to their continued reinvestment in the LIHTC program.

Thank you again for working with us towards a resolution of these deficiencies. Please let me know if you have any questions or need additional information. We look forward to working with you in the future to preserve affordable housing in Texas.

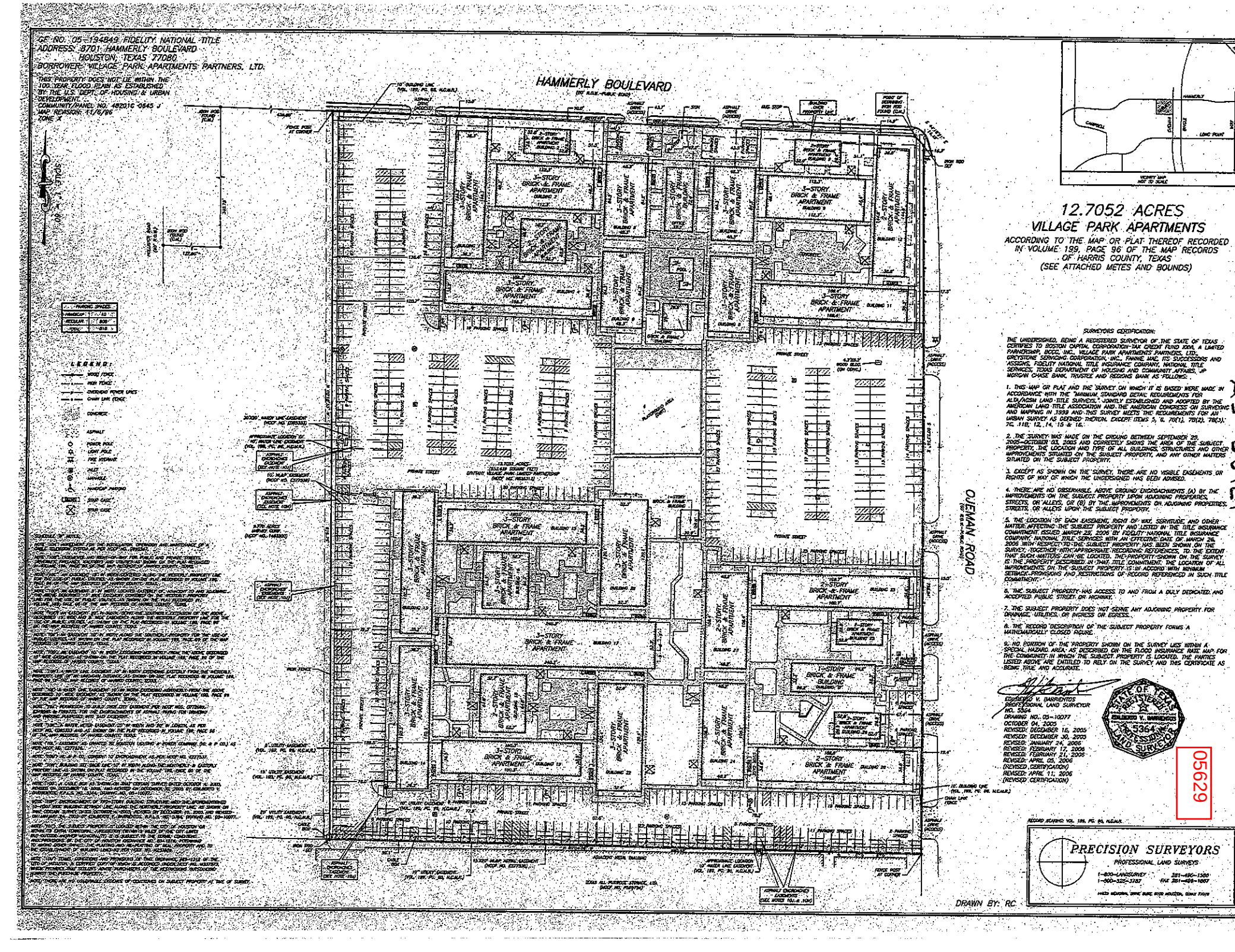
Sincerely,
Summit Asset Management, L.L.C.

Tom Champion

EXHIBIT A

GF NO. 05-194849, FIDELITY NATIONAL TITLE
ADDRESS: 8701 HAMMERLY BOULEVARD
HOUSTON, TEXAS 77080
BORROWER: VILLAGE PARK APARTMENTS PARTNERS, LTD.

"THIS PROPERTY DOES NOT LIE WITHIN THE 100 YEAR FLOOD PLAIN AS ESTABLISHED BY THE U.S. DEPT. OF HOUSING & URBAN DEVELOPMENT."
COMMUNITY/PANEL NO. 480296 0645 J
MAP REVISION: 11/6/96
ZONE: X



12.7052 ACRES
VILLAGE PARK APARTMENTS

ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 139, PAGE 96 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS
(SEE ATTACHED METES AND BOUNDS)

SURVEYORS CERTIFICATION:

THE UNDERSIGNED, BEING A REGISTERED SURVEYOR OF THE STATE OF TEXAS CERTIFIES TO BOSTON CAPITAL CORPORATION-TAX CREDIT FUND XXVI, A LIMITED PARNERSHIP, BCCC, INC., VILLAGE PARK APARTMENTS PARTNERS, LTD., CRYSTSTONE SERVICING CORPORATION, INC., FANNIE MAE, ITS SUCCESSORS AND ASSIGNS, FIDELITY NATIONAL TITLE INSURANCE COMPANY, NATIONAL TITLE SERVICES, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS, JP MORGAN CHASE BANK, TRUSTEE AND REGIONS BANK AS "FOLLOWS:

1. THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY THE AMERICAN LAND TITLE ASSOCIATION AND THE NATIONAL SOCIETY OF SURVEYING AND MAPPING IN 1999 AND THIS SURVEY MEETS THE REQUIREMENTS FOR AN URBAN SURVEY AS DEFINED THEREIN, EXCEPT ITEMS 5, 6, 7(c(1), 7(b(2), 7(c(3)), 7C, 11(b), 12, 14, 15 & 16.

2. THE SURVEY WAS MADE ON THE GROUND BETWEEN SEPTEMBER 29, 2005-OCTOBER 03, 2005 AND CORRECTLY SHOWS THE AREA OF THE SUBJECT PROPERTY, THE LOCATION AND TYPE OF ALL BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS SITUATED ON THE SUBJECT PROPERTY, AND ANY OTHER MATTERS SITUATED ON THE SUBJECT PROPERTY.

3. EXCEPT AS SHOWN ON THE SURVEY, THERE ARE NO VISIBLE EASEMENTS OR RIGHTS OF WAY OF WHICH THE UNDERSIGNED HAS BEEN ADVISED.

4. THERE ARE NO OBSERVABLE, ABOVE GROUND ENCROACHMENTS (a) BY THE IMPROVEMENTS ON THE SUBJECT PROPERTY UPON ADJOINING PROPERTIES, STREETS, OR ALLEYS, OR (B) BY THE IMPROVEMENTS ON ADJOINING PROPERTIES, STREETS, OR ALLEYS UPON THE SUBJECT PROPERTY.

5. THE LOCATION OF EACH EASEMENT, RIGHT OF WAY, SERVITUDE, AND OTHER MATTER AFFECTING THE SUBJECT PROPERTY AND LISTED IN THE TITLE INSURANCE COMMITMENT ISSUED MARCH 29, 2006 BY FIDELITY NATIONAL TITLE INSURANCE COMPANY, NATIONAL TITLE SERVICES WITH AN EFFECTIVE DATE OF MARCH 26, 2006 WITH RESPECT TO THE SUBJECT PROPERTY HAS BEEN SHOWN ON THE SURVEY, TOGETHER WITH APPROPRIATE RECORDING REFERENCES, TO THE EXTENT THAT SUCH EASEMENTS CAN BE LOCATED. THE PROPERTY SHOWN ON THE SURVEY IS THE PROPERTY DESCRIBED IN THAT TITLE COMMITMENT. THE LOCATION OF ALL IMPROVEMENTS ON THE SUBJECT PROPERTY IS IN ACCORD WITH MINIMUM SETBACK PROVISIONS AND RESTRICTIONS OF RECORD REFERENCED IN SUCH TITLE COMMITMENT.

6. THE SUBJECT PROPERTY HAS ACCESS TO AND FROM A DULY DEDICATED AND ACCEPTED PUBLIC STREET OR HIGHWAY.

7. THE SUBJECT PROPERTY DOES NOT SERVE ANY ADJOINING PROPERTY FOR DRAINAGE, UTILITIES, OR INGRESS OR EGRESS.

8. THE RECORD DESCRIPTION OF THE SUBJECT PROPERTY FORMS A MATHEMATICALLY CLOSED FIGURE.

9. NO PORTION OF THE PROPERTY SHOWN ON THE SURVEY LIES WITHIN A SPECIAL HAZARD AREA, AS DESCRIBED ON THE FLOOD INSURANCE RATE MAP FOR THE COMMUNITY IN WHICH THE SUBJECT PROPERTY IS LOCATED. THE PARTIES LISTED ABOVE ARE ENTITLED TO RELY ON THE SURVEY AND THIS CERTIFICATE AS BEING TRUE AND ACCURATE.

GILBERTO V. BARRIENTOS
PROFESSIONAL LAND SURVEYOR
NO. 5364
DRAWING NO.: 05-10077
OCTOBER 04, 2005
REVISED: DECEMBER 16, 2005
REVISED: DECEMBER 30, 2005
REVISED: JANUARY 24, 2006
REVISED: FEBRUARY 17, 2006
REVISED: FEBRUARY 21, 2006
REVISED: APRIL 05, 2006
(REVISED CERTIFICATION)
REVISED: APRIL 11, 2006
(REVISED CERTIFICATION)

STATE OF TEXAS
REGISTERED
GILBERTO V. BARRIENTOS
5364
PROFESSIONAL
LAND SURVEYOR

05629

RECORD BEARING: VOL. 139, PG. 96, H.C.M.R.

PRECISION SURVEYORS
PROFESSIONAL LAND SURVEYS
1-800-LANDSURVEY 281-496-1300
1-800-525-3787 FAX 281-496-1687
14425 HOLLOWAY, SUITE 8100, HOUSTON, TEXAS 77079

DRAWN BY: RC

05629

Application

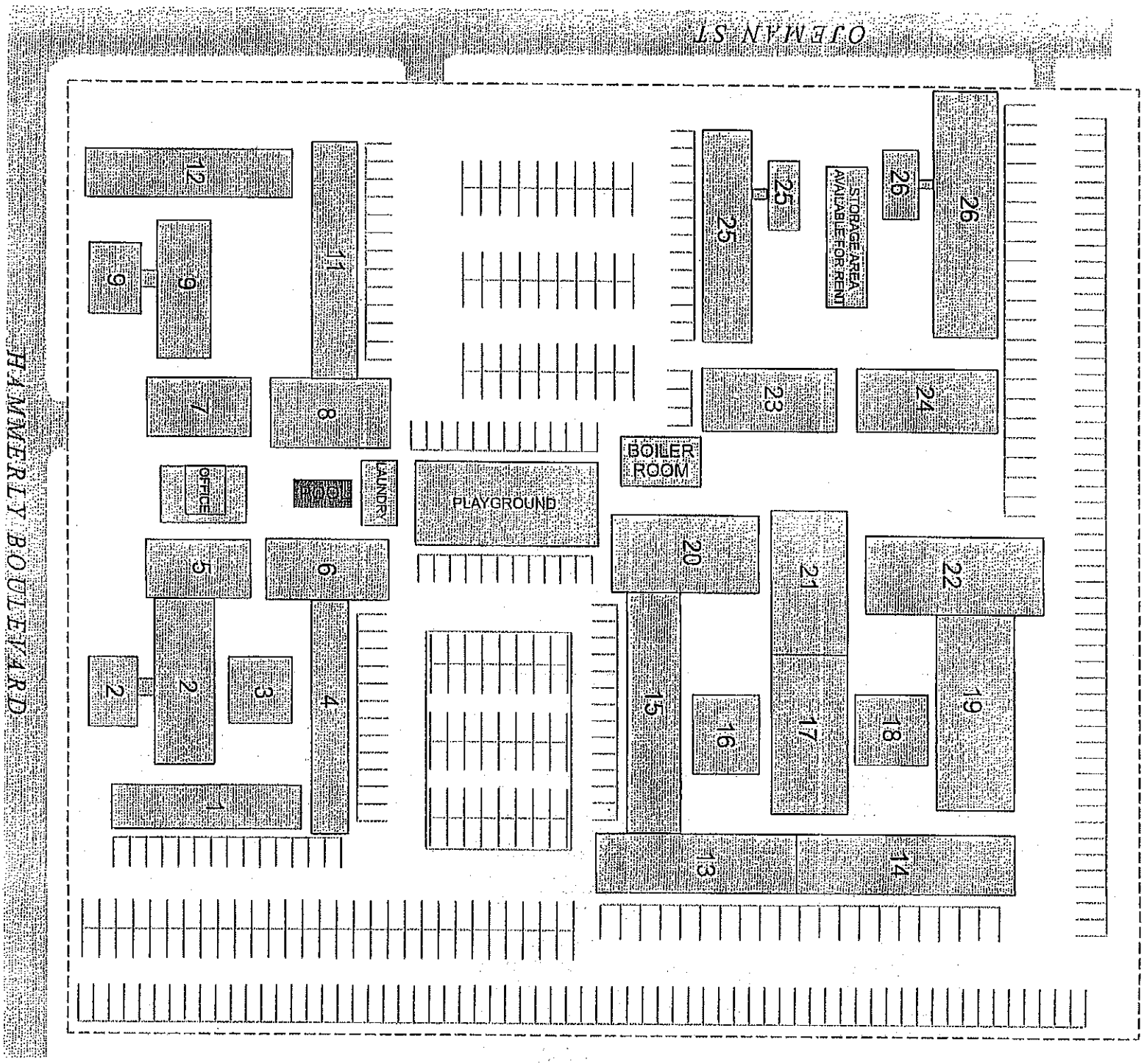


EXHIBIT B

05629

Donald C. Brown AIA, Architect
260 Commerce Street, Suite 200
Montgomery, Alabama 36104
(334) 834-8340
(334) 834-8343 Fax

November 11, 2008

Hunter McKenzie
Summit America
105 Tallapoosa Street, Suite 30
Montgomery AL, 36104

Re: Village Park Apartments
Houston, Texas.

Mr. McKenzie,

The purpose of this letter is to define the scope of work necessary to provide a new ceiling fan in the living room and bedroom of each unit for Village Park Apartments. There are a total of 1,394 new ceilings fans that will need to be provided.

In order to provide new ceiling fans, the existing circuit will need to be extended to handle the extra electrical load caused by the new fan. Some of the existing circuits can not be extended to handle the extra load and these panels with insufficient circuits will need to be replaced with new panels. 230 units will require new electrical panels. Also, arc fault breakers will need to be provided for all circuits receiving new fans. These should also be provided at the new panels as well.

New electrical wiring will be required from the new fan to the existing or new electrical panel where there is not an existing fixture box. Gypboard repairs and touch-up paint will be necessary where new wiring is provided. The option of providing surface mounted wire mould was considered in an effort to minimize gypboard repairs; however, per the contractor, the additional cost of wire mould relative to the additional gypboard repairs would cost roughly the same.

72 of the fans can be installed at an existing fixture box or light fixture. These fans will still require arc fault breakers; although, the existing circuits should be able to remain the same with no new electrical wiring required.

In summary, 1,394 fans will need to be installed with 72 fans that can be installed at an existing fixture box. All fans will need new arc fault breakers and 230 units will need new electrical panels. Because of the existing capacity at some of the panels and because of code requirements, this additional work will be necessary.

Sincerely,

Donald C. Brown, AIA

Donald C. Brown Architect
260 Commerce Street, Suite 200
Montgomery, AL 36104

Village Park Ceiling Fans

El Bravo Efficiency

Description	QTY		Total		
Install New Panel (Incl Arch Fault)	0	$ 781.25	$ -		
Install New Arch Fault (No Panel Needed)	1	$ 93.75	$ 93.75		
Install New Fan(Existing Fixture Box)	0	$ 156.25	$ -		
Install New Fan w/ Circuit	1	$ 368.75	$ 368.75		
S/R & Paint Repairs	1	$ 68.75	$ 68.75		
Permitting	1	$ 6.25	$ 6.25		
			$ 537.50		
		# of Units	4		
		TOTAL	$ 2,150.00	$	2,150.00

San Luis 1 BR 1BA

Description	QTY		Total		
Install New Panel (Incl Arch Fault)	0	$ 781.25	$ -		
Install New Arch Fault (No Panel Needed)	2	$ 93.75	$ 187.50		
Install New Fan(Existing Fixture Box)	0	$ 156.25	$ -		
Install New Fan w/ Circuit	2	$ 368.75	$ 737.50		
S/R & Paint Repairs	2	$ 68.75	$ 137.50		
Permitting	2	$ 6.25	$ 12.50		
			$ 1,075.00		
		# of Units	240		
		TOTAL	$ 258,000.00	$	258,000.00

El Rey 1 BR 1BA

Description	QTY		Total		
Install New Panel (Incl Arch Fault)	0	$ 781.25	$ -		
Install New Arch Fault (No Panel Needed)	2	$ 93.75	$ 187.50		
Install New Fan(Existing Fixture Box)	0	$ 156.25	$ -		
Install New Fan w/ Circuit	2	$ 368.75	$ 737.50		
S/R & Paint Repairs	2	$ 68.75	$ 137.50		
Permitting	2	$ 6.25	$ 12.50		
			$ 1,075.00		
		# of Units	56		
		TOTAL	$ 60,200.00	$	60,200.00

Village Park-Fan Installation

La Catalina 2 BR 1BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	1	$	781.25	$	781.25	
Install New Arch Fault (No Panel Needed)	0	$	93.75	$	-	
Install New Fan(Existing Fixture Box)	0	$	156.25	$	-	
Install New Fan w/ Circuit	3	$	368.75	$	1,106.25	
S/R & Paint Repairs	3	$	68.75	$	206.25	
Permitting	3	$	6.25	$	18.75	
				$	2,112.50	
	# of Units				30	
				$	63,375.00	$ 63,375.00

La Estella 2BR 1BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	0	$	781.25	$	-	
Install New Arch Fault (No Panel Needed)	2	$	93.75	$	187.50	
Install New Fan(Existing Fixture Box)	2	$	156.25	$	312.50	
Install New Fan w/ Circuit	1	$	368.75	$	368.75	
S/R & Paint Repairs	1	$	68.75	$	68.75	
Permitting	2	$	6.25	$	12.50	
				$	950.00	
	# of Units				36	
				$	34,200.00	$ 34,200.00

Del Sol 2BR 1BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	1	$	781.25	$	781.25	
Install New Arch Fault (No Panel Needed)	0	$	93.75	$	-	
Install New Fan(Existing Fixture Box)	0	$	156.25	$	-	
Install New Fan w/ Circuit	3	$	368.75	$	1,106.25	
S/R & Paint Repairs	3	$	68.75	$	206.25	
Permitting	1	$	6.25	$	6.25	
				$	2,100.00	
	# of Units				8	
				$	16,800.00	$ 16,800.00

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Village Park-Fan Installation

El Monterey 2BR 2BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	1	$	781.25	$	781.25	
Install New Arch Fault (No Panel Needed)	0	$	93.75	$	-	
Install New Fan(Existing Fixture Box)	0	$	156.25	$	-	
Install New Fan w/ Circuit	3	$	368.75	$	1,106.25	
S/R & Paint Repairs	3	$	68.75	$	206.25	
Permitting	3	$	6.25	$	18.75	
				$	2,112.50	
	# of Units				48	
				$	101,400.00	$ 101,400.00

La Casa Blanca 2BR 2BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	1	$	781.25	$	781.25	
Install New Arch Fault (No Panel Needed)	0	$	93.75	$	-	
Install New Fan(Existing Fixture Box)	0	$	156.25	$	-	
Install New Fan w/ Circuit	3	$	368.75	$	1,106.25	
S/R & Paint Repairs	3	$	68.75	$	206.25	
Permitting	3	$	6.25	$	18.75	
				$	2,112.50	
	# of Units				72	
				$	152,100.00	$ 152,100.00

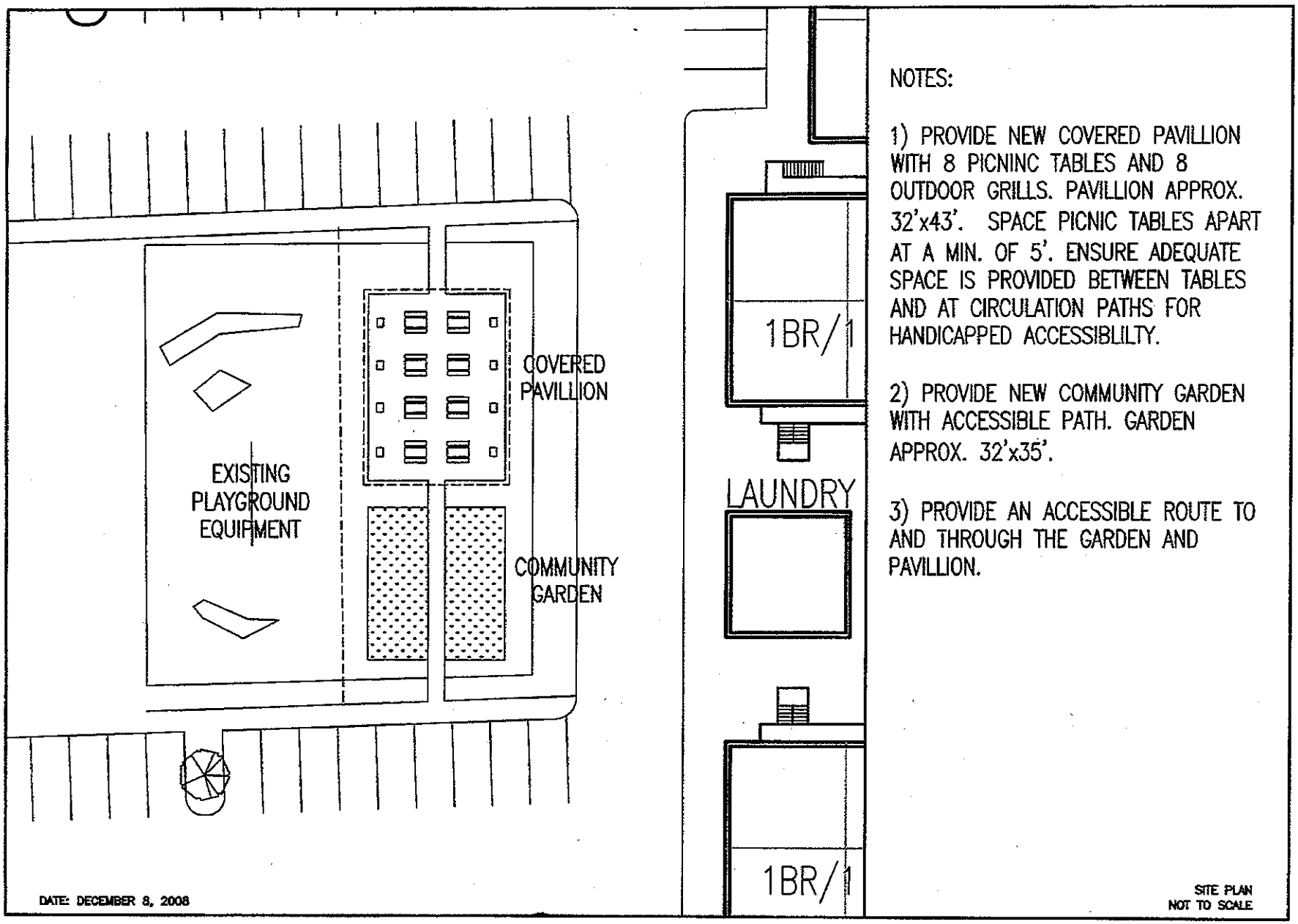
El Palacio 3BR 2BA

Description	QTY			Total		
Install New Panel (Incl Arch Fault)	1	$	781.25	$	781.25	
Install New Arch Fault (No Panel Needed)	0	$	93.75	$	-	
Install New Fan(Existing Fixture Box)	0	$	156.25	$	-	
Install New Fan w/ Circuit	3	$	368.75	$	1,106.25	
S/R & Paint Repairs	3	$	68.75	$	206.25	
Permitting	1	$	6.25	$	6.25	
				$	2,100.00	
	# of Units				72	
				$	151,200.00	$ 151,200.00

BID TOTAL $ 839,425.00

EXHIBIT C

05629



NOTES:

1) PROVIDE NEW COVERED PAVILLION WITH 8 PICNINC TABLES AND 8 OUTDOOR GRILLS. PAVILLION APPROX. 32'x43'. SPACE PICNIC TABLES APART AT A MIN. OF 5'. ENSURE ADEQUATE SPACE IS PROVIDED BETWEEN TABLES AND AT CIRCULATION PATHS FOR HANDICAPPED ACCESSIBLILTY.

2) PROVIDE NEW COMMUNITY GARDEN WITH ACCESSIBLE PATH. GARDEN APPROX. 32'x35'.

3) PROVIDE AN ACCESSIBLE ROUTE TO AND THROUGH THE GARDEN AND PAVILLION.

DATE: DECEMBER 8, 2008

SITE PLAN
NOT TO SCALE

Brown Chambless Architects
250 Commerce Street, Suite 200
Montgomery, Alabama 36104-2585
t. 334.834.8340 f. 334.834.8340
www.brownchambless.com

VILLAGE PARK APARTMENTS

HOUSTON TEXAS

A-1

COMMUNITY GARDEN & PAVILLION SCOPE AND SPECIFICATIONS - VILLAGE PARK APTS.

VILLAGE PARK APTS.
8701 HAMMERLY
HOUSTON, TX 77077

Submitted by:
Brad Bowers
Penco Construction Co.
December 17, 2008

NEW COMMUNITY PAVILLION & GARDEN

COVERED PAVILLION

Excavate & Prepare Soil For New Slab	1,376	SF
Pour New 4" Reinforced Slab With Footings	1,376	SF
Provide & Install 6"x6"x12' Treated Columns	10	EA
Provide & Install New 2"x12"x10 Support Beams	18	EA
Provide & Install New Roof Trusses	742	LF
Provide & Install New Roof Decking	1,680	SF
Provide & Install New Composition Shingle Roofing	18	SQ
Provide & Install New Plywood Siding	190	SF
Provide & Install New Plywood Soffit	1,584	SF
Provide & Install New Fascia	165	LF
Pour New 4" Concrete Walkway	36	SF
Provide & Install New Outdoor Charcoal Grill	8	EA
Provide & Install New Picnic Tables	8	EA

COMMUNITY GARDEN

Excavate & Remove 8" Exisiting Soil For New Gard	910	SF
Import New Topsoil	22	CY
Provide & Install New Landscape Logs	384	LF
Provide & Install New Hose Bib	2	EA
Pour New 4" Concrete Walkway	200	SF

GENERAL

Paint Covered Pavillion Complete	1	EA
Permit	1	EA
Haul Debris - Per Truck Load	1	LD

OUR PRICE FOR THIS WORK IS $76,877.00

*This bid is based on Brown Chambless Architects site plan drawing and Penco's design of the structure. Bid does not include complete engineered drawings or drainage plan which will be required for permitting purposes.

PENCO CONSTRUCTION COMPANY

NOTES:

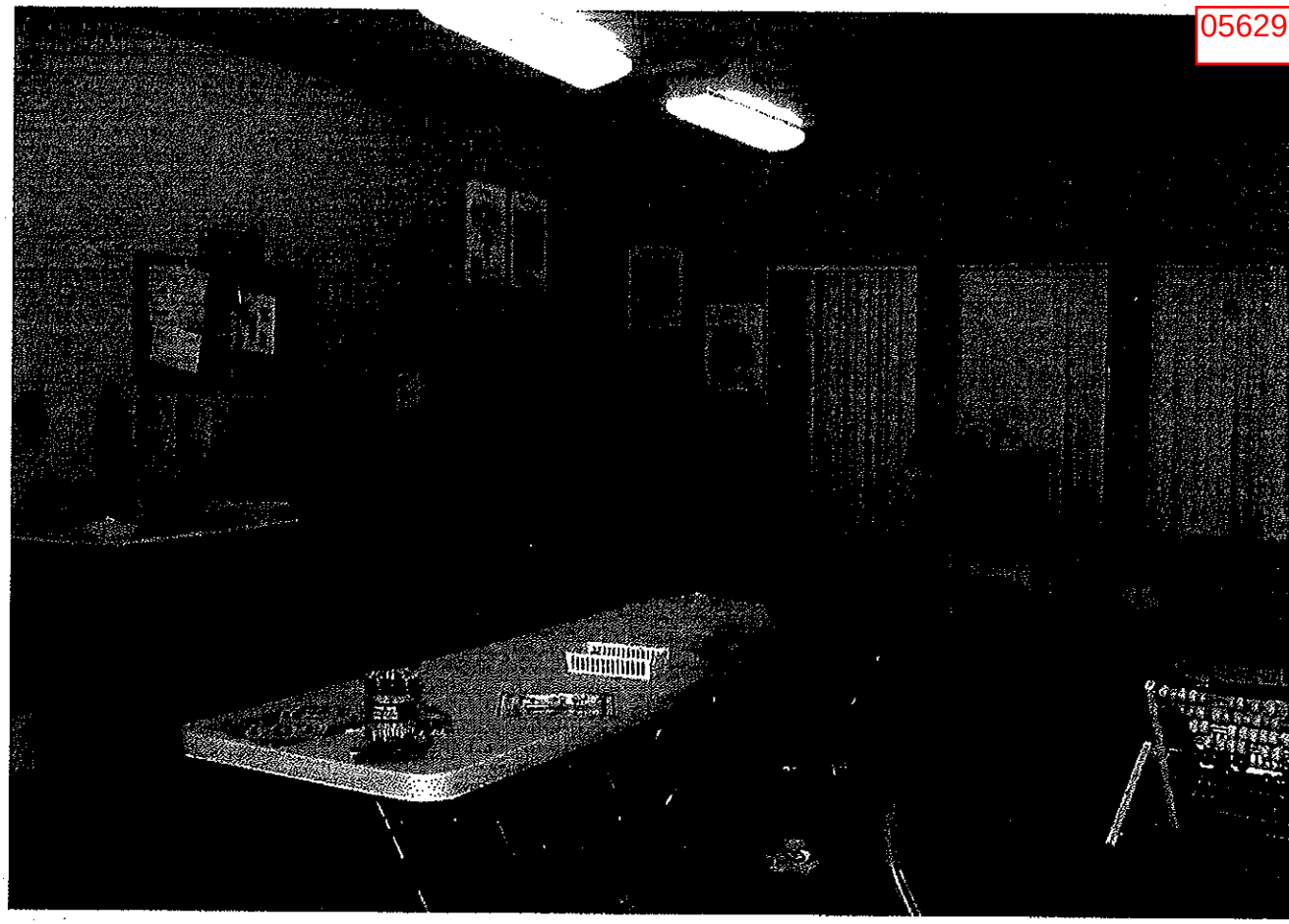
1. All work performed by Penco shall be compliant with all applicable building codes and regulations. However, all design and specifications, including compliance of same applicable government codes and regulations, shall be the responsibility of the Owner.

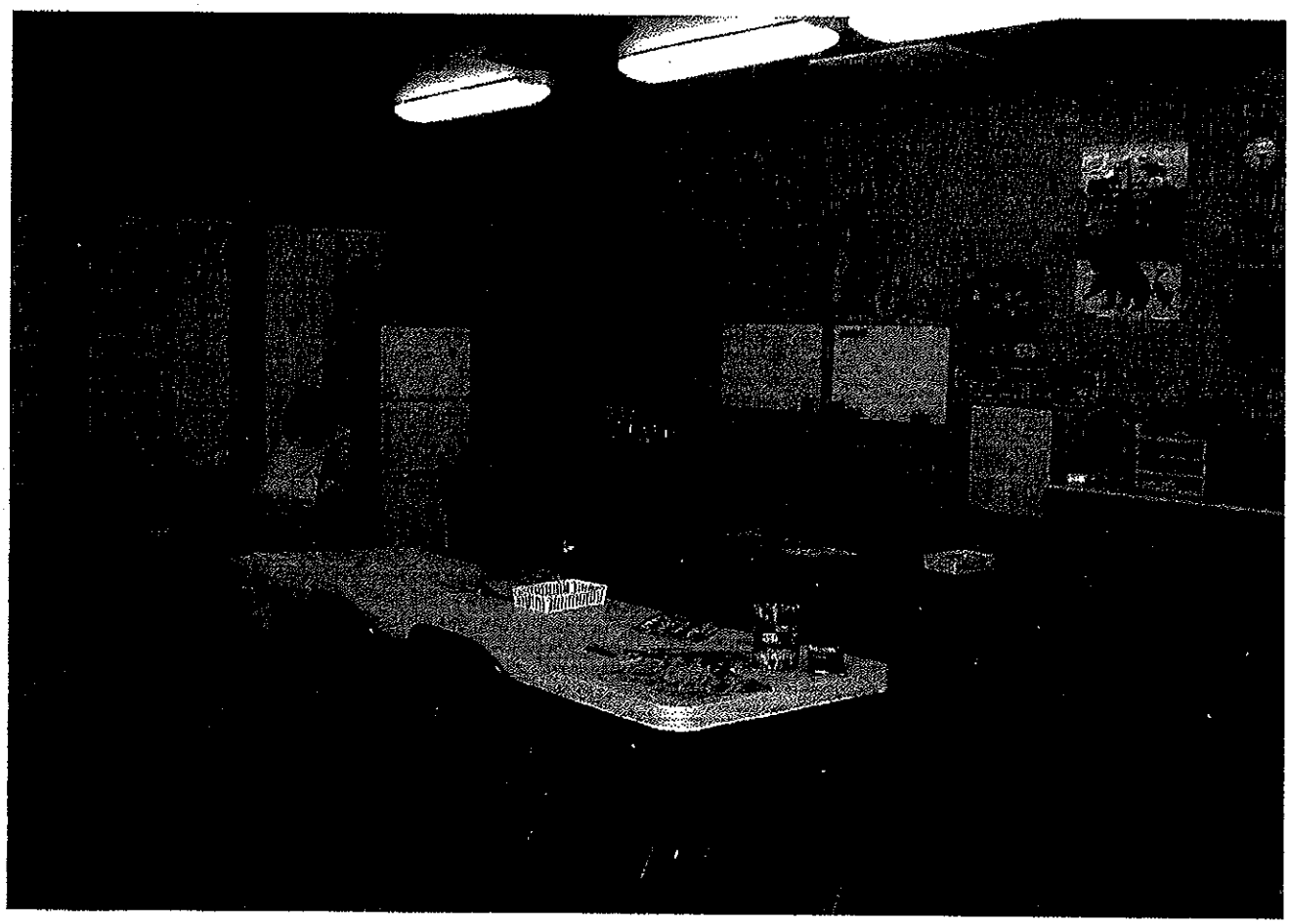
2. If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner, (2) changes ordered in the Work by Owner or Government agency or entity, (3) labor disputes, fire or other natural disasters, transportation stoppages, (4) effects of storms and other adverse weather conditions, or (5) any other unusual or unavoidable casualties or other causes beyond the Contractor's control, then the Contract Time or Time of Completion shall be deemed extended by a written Change Order for such reasonable time as to accommodate delays occasioned by any of the events described in (1) through (5) of this paragraph, and in no event shall the Contractor be liable to Owner for delays which result from an event described in (1) through (5) of this paragraph.

4. Estimate amount will be good for 30 days.

EXHIBIT D

05629





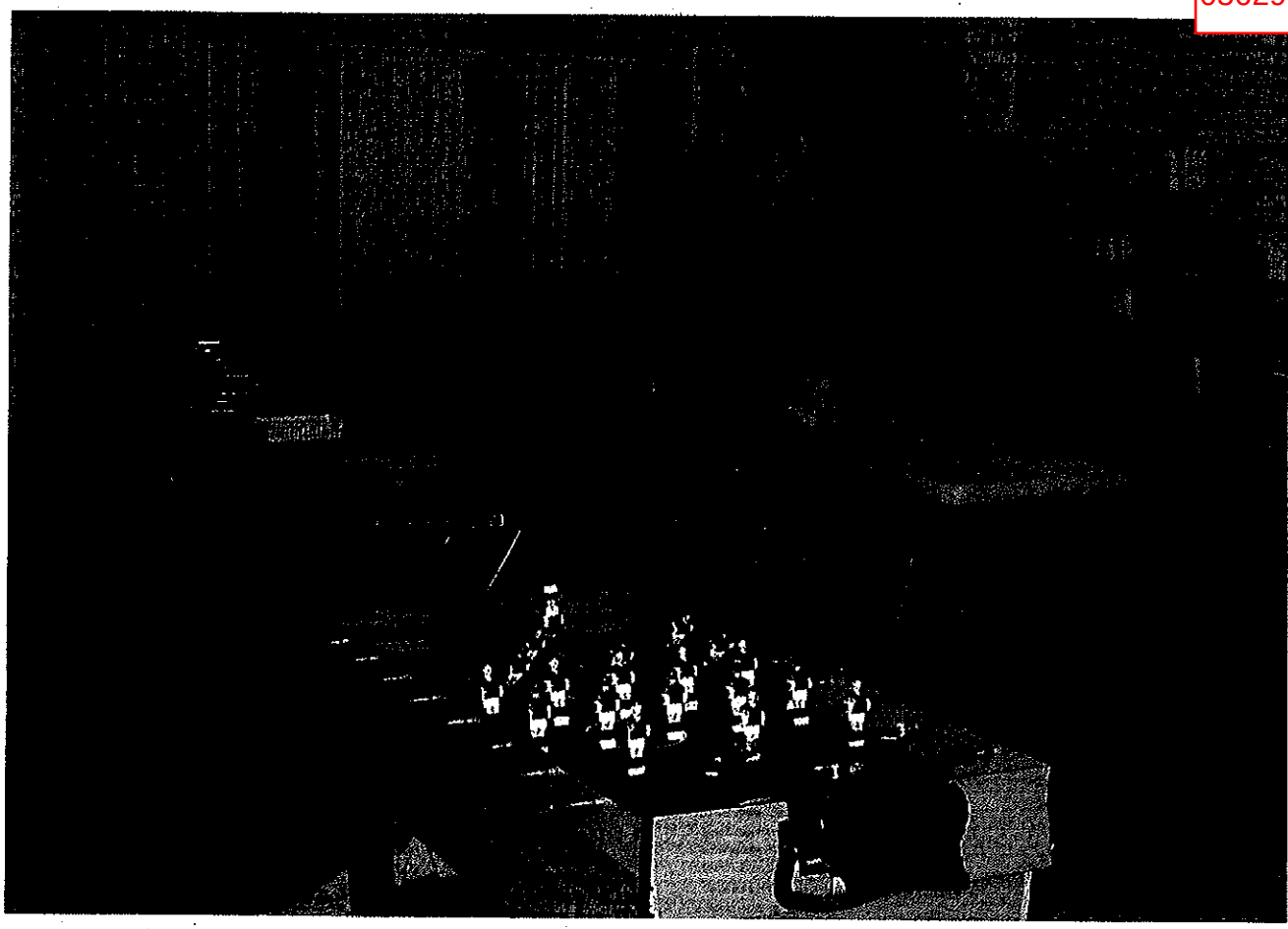
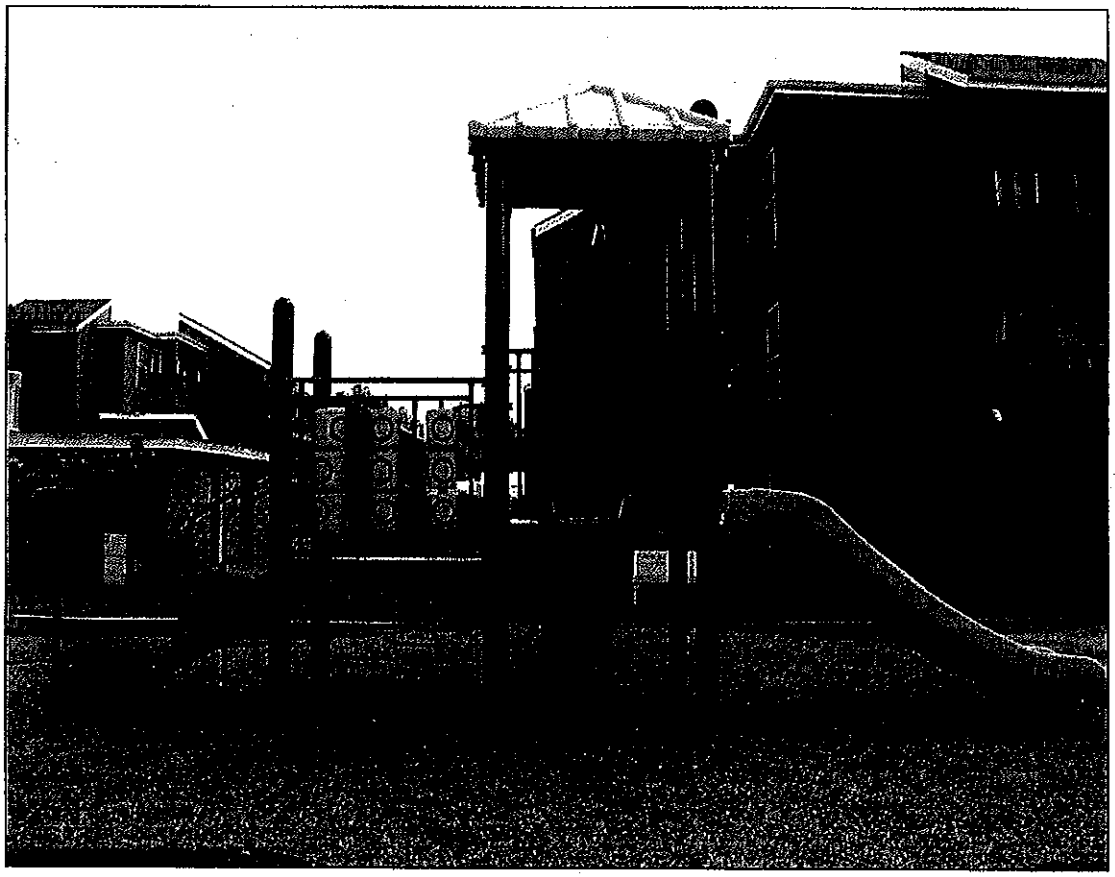


EXHIBIT E



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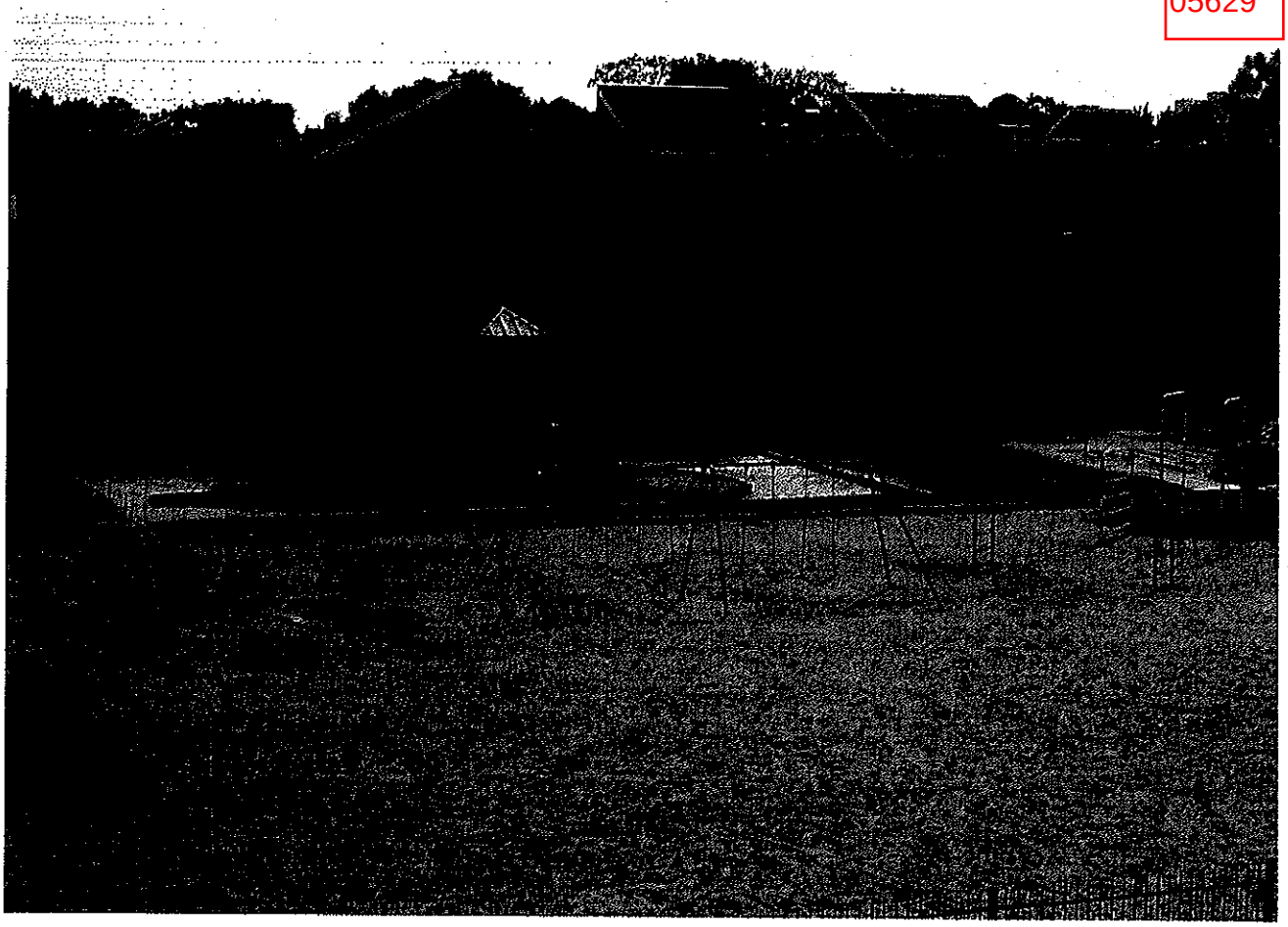

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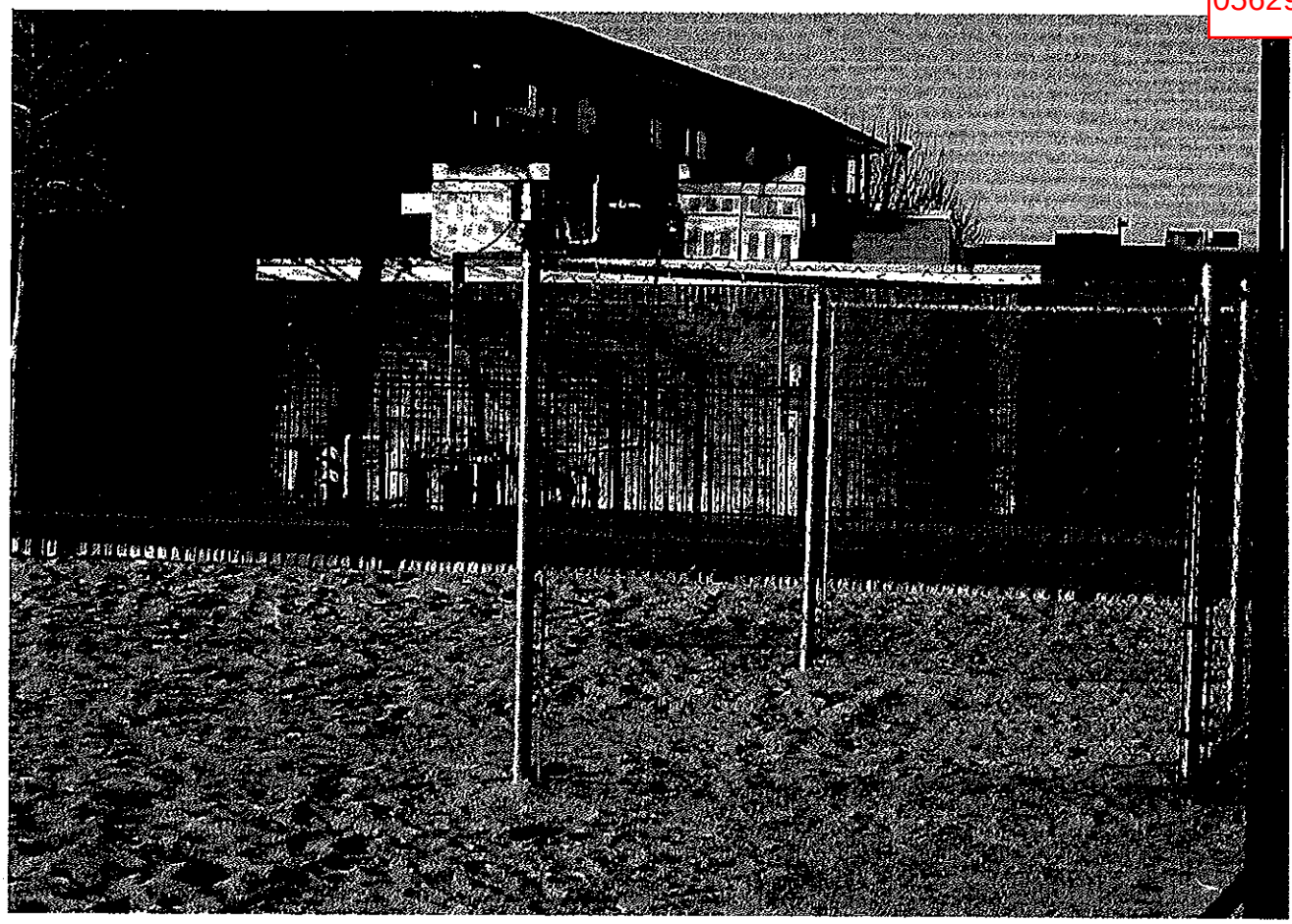

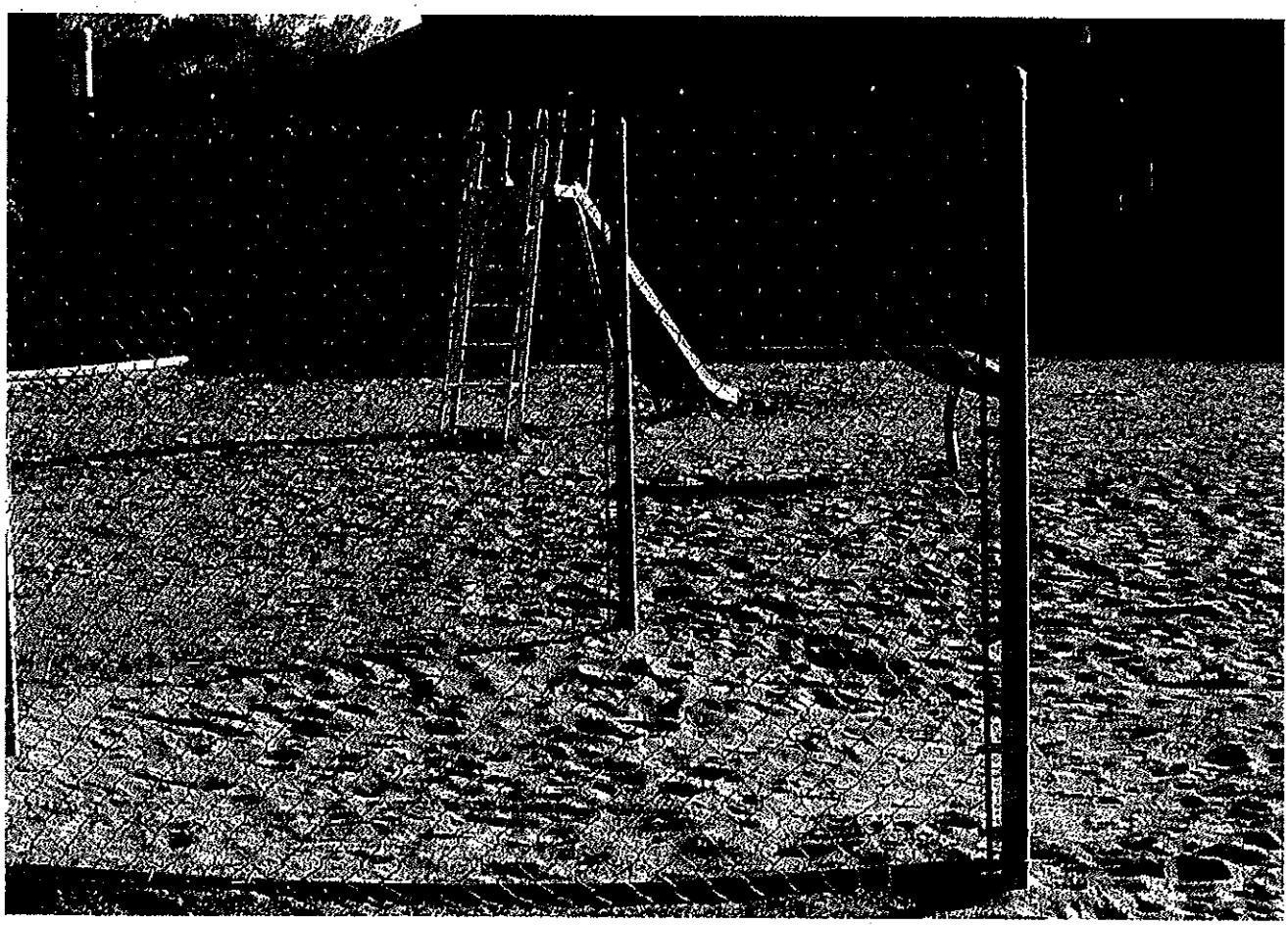

EXHIBIT G

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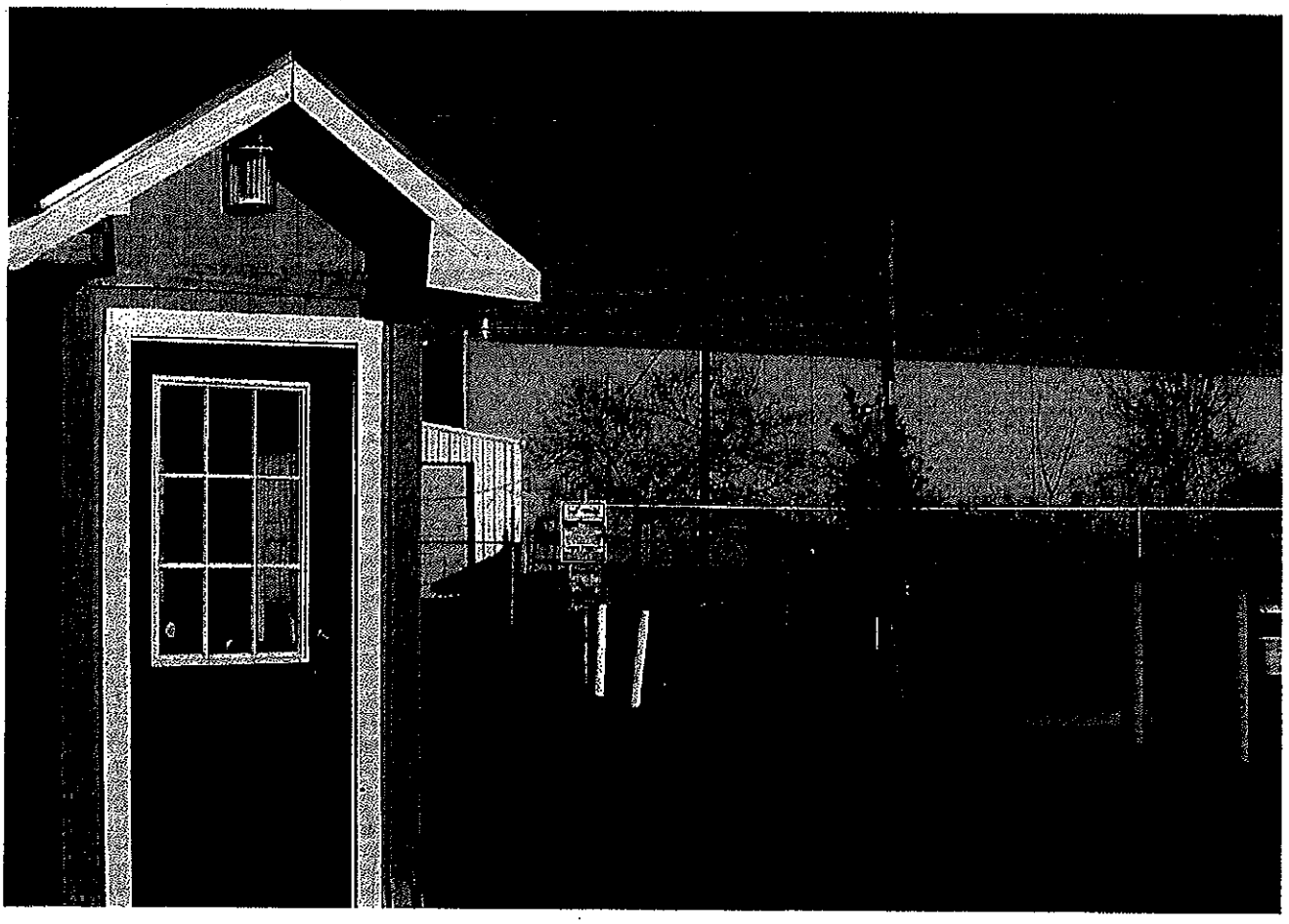

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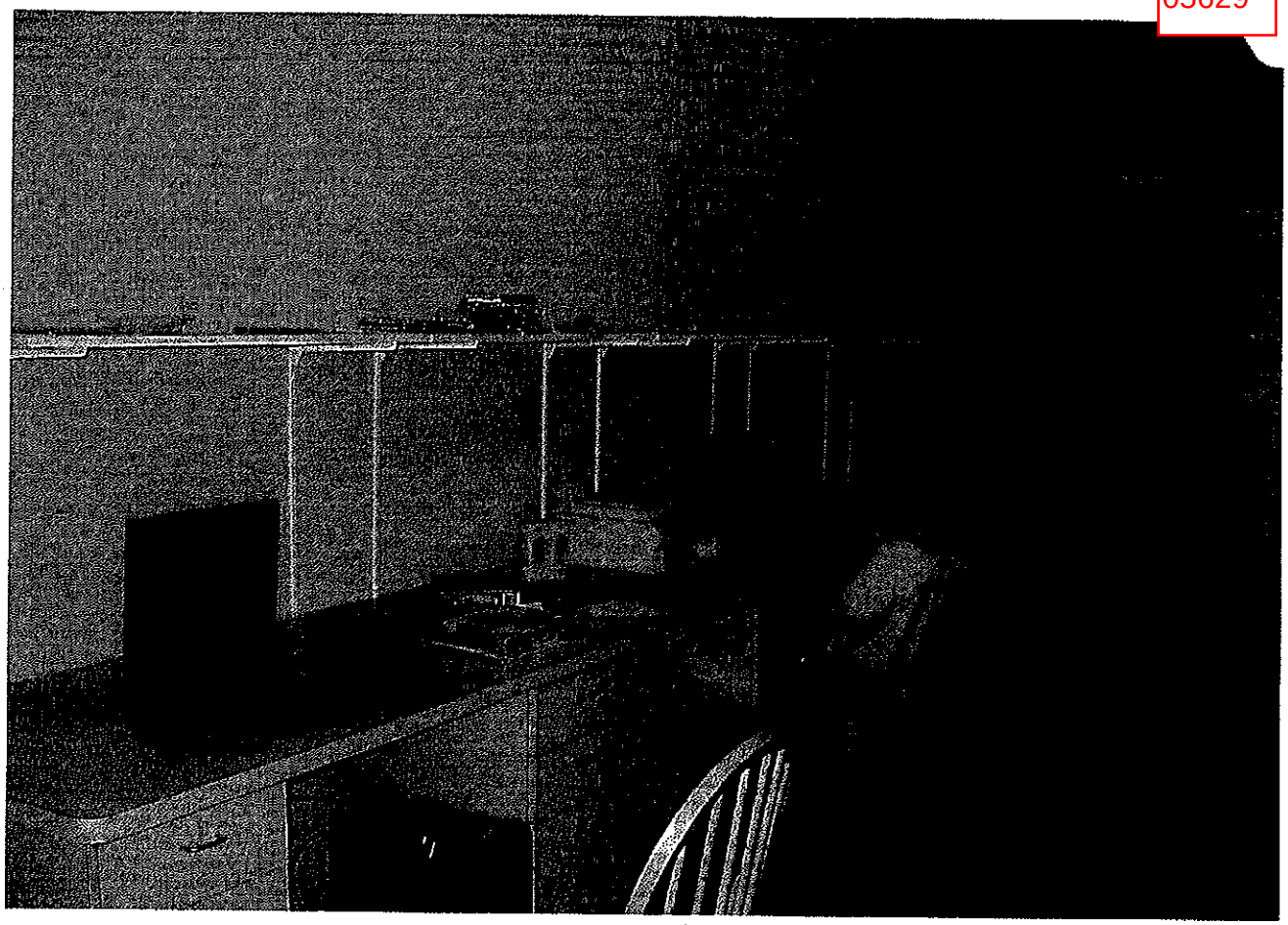
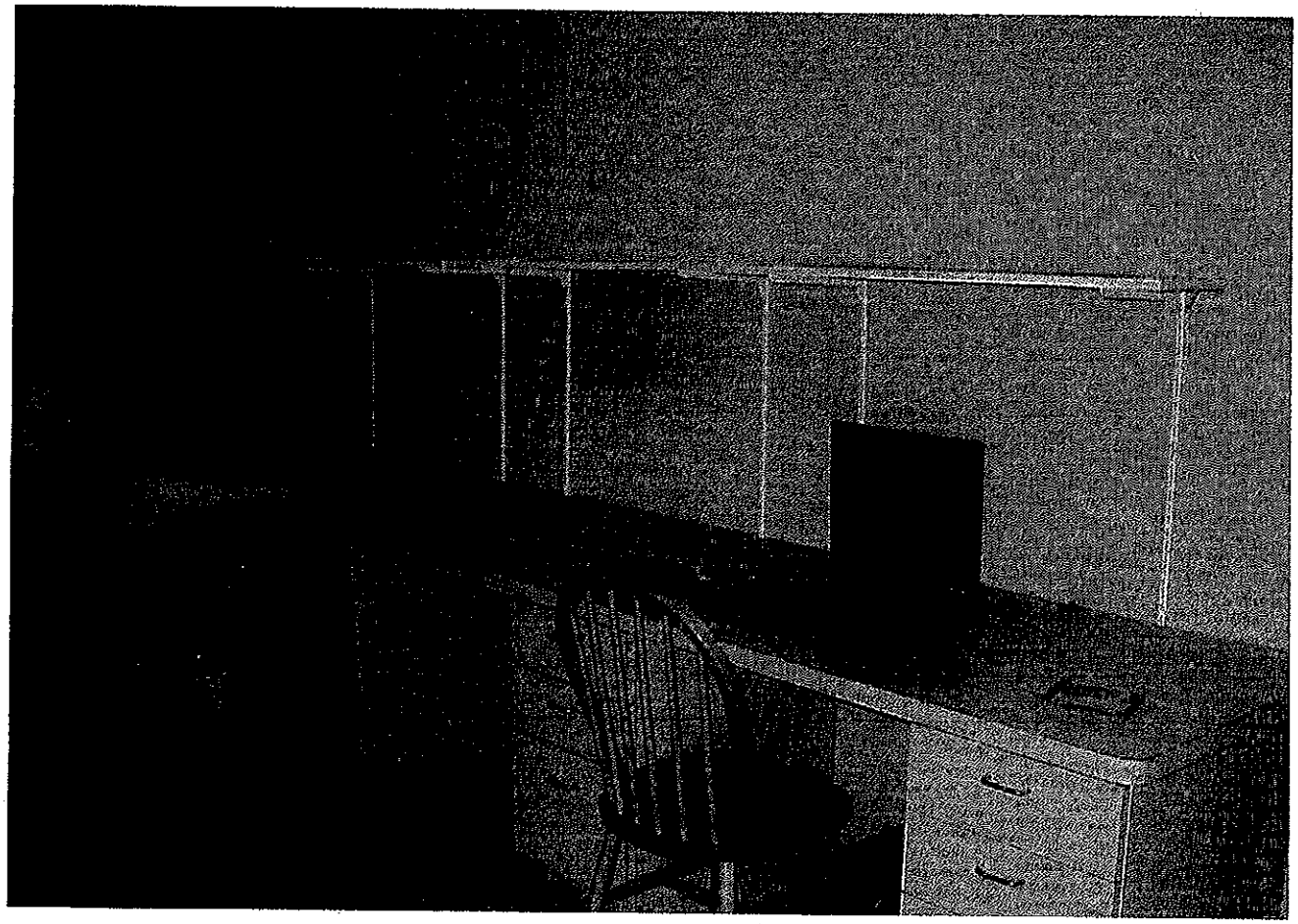
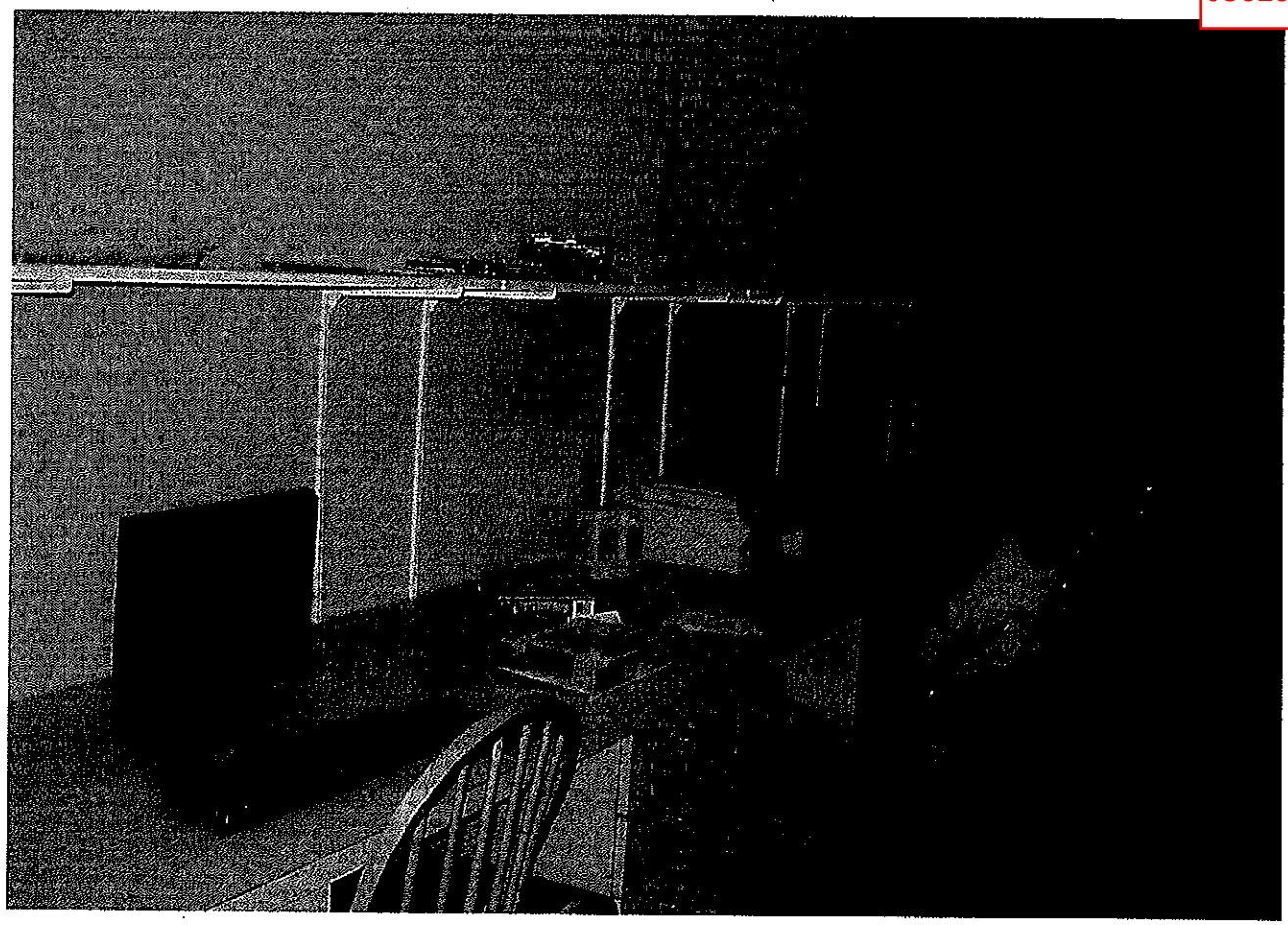
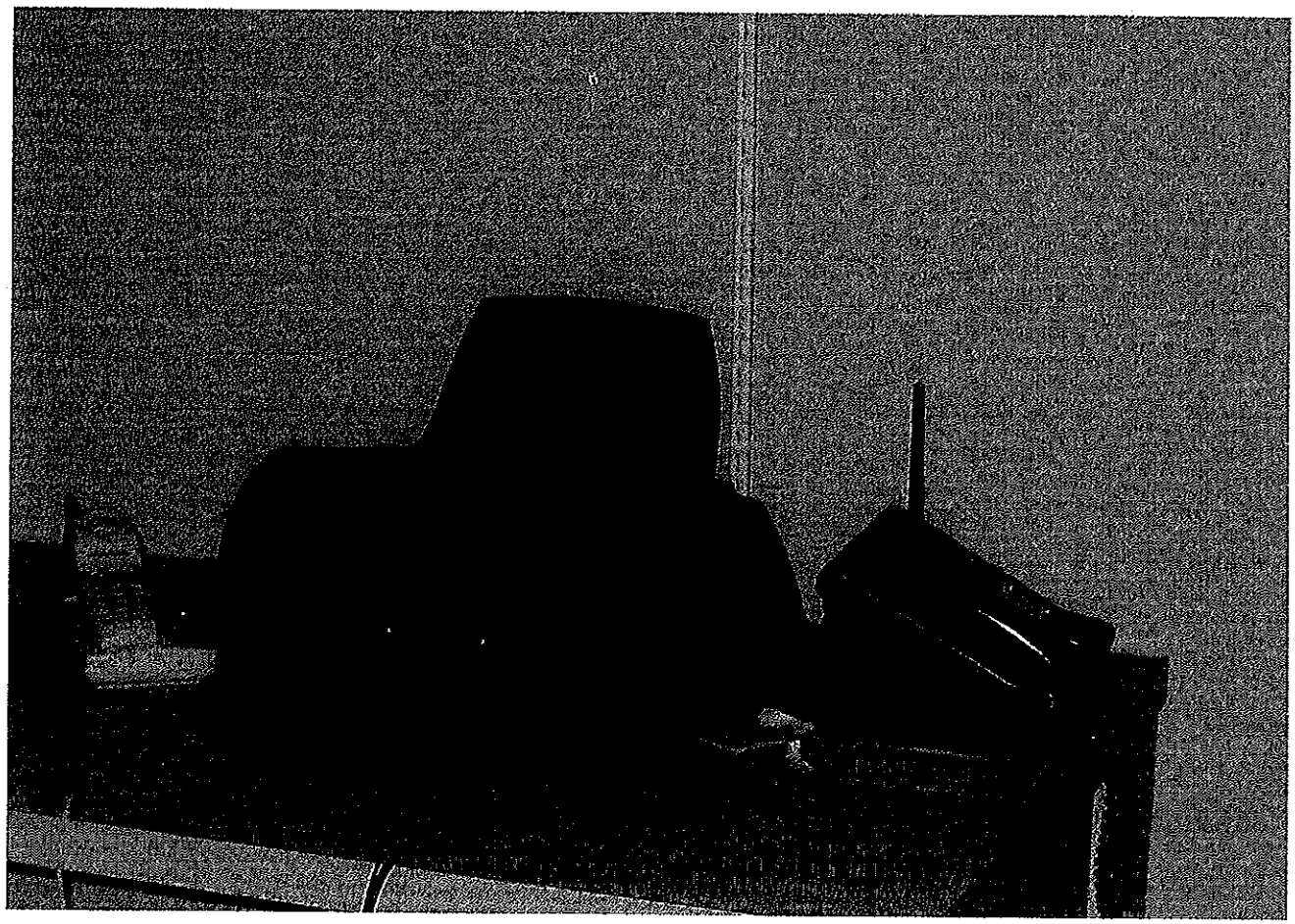
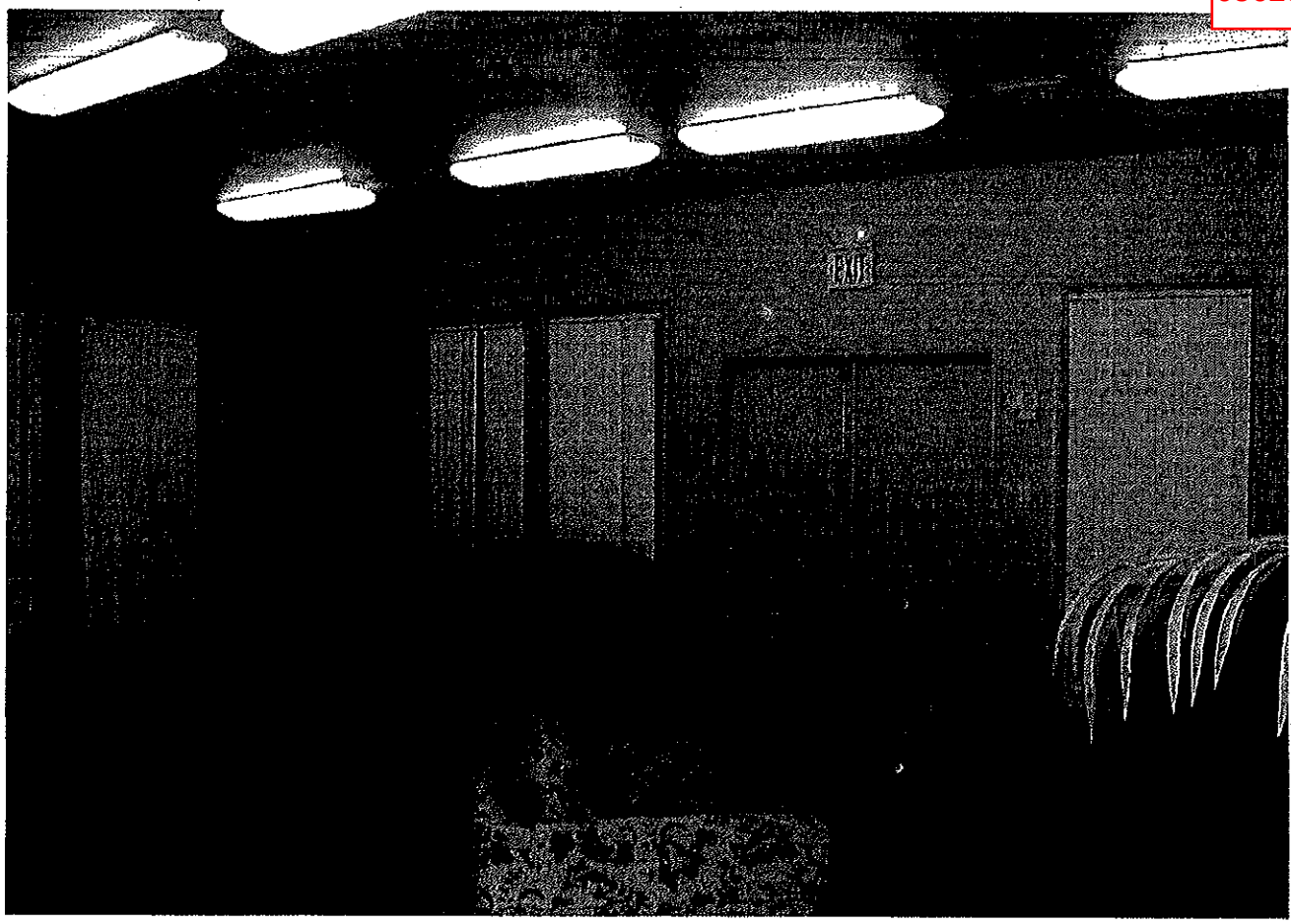
EXHIBIT H










EXIT

09316

Champion Homes at Bay Walk

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Champion Homes at Bay Walk.

Background and Recommendations

Champion Homes at Bay Walk - 09316

On February 27, 2009, an Application was submitted for the above-referenced development. On June 16, 2009, a scoring Notice was issued to the Applicant, including a score of zero points for §49.9(i)(13) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Community Revitalization. Pursuant to §49.9(i)(13) of the 2009 QAP, in order to be eligible for the full award of 6 points for this item, the Applicant must provide evidence that:

> "The Development includes the use of an Existing Residential Development and proposes any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted;"

The Applicant provided copies of several resolutions passed by the City Council of the City of Galveston, detailing requests they have made to state and federal agencies regarding their needs as they recover from hurricane damage. None of the resolutions refer to a Community Revitalization Plan. The Applicant also provided excerpts from a CDBG Disaster Recovery Housing Program document. This document lists several proposed projects, including the rehabilitation of owner-occupied housing, the rehabilitation of small multifamily developments with 20 or fewer units, and the rehabilitation of housing developments owned by the City of Galveston Housing Authority. No evidence was provided showing that this documents was adopted by the local elected Governing Body. Finally, the Applicant did not provide a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development

areas outlined in the Community Revitalization Plan. The City of Galveston's adopted Consolidated Plan expired on May 31, 2009.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Chicory Court VII, LP, a Texas limited partnership
Site Location:	7200 Heards Lane
City/County:	Galveston/Galveston
Regional Allocation Category:	Urban
Population Served:	General
Region:	6
Set Aside:	None
Type of Development:	Acquisition/Rehabilitation
Units:	192
Credits Requested:	$1,443,759

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09316

Scoring Notice

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Chicory Court VII, LP
Saleem Jafar
5420 LBJ Freeway, Ste. 1235
Dallas, TX 75240
Phone #: (972) 701-5551
Fax #: (972) 701-5562
Email: sjafar@orhlp.com
Second Email: bfisher@orhlp.com

Date Issued: June 16, 2009

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

RE: 2009 Competitive Housing Tax Credit (HTC) Application for Champion Homes at Bay Walk, TDHCA Number: 09316

Attention: Saleem Jafar

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: ☐ USDA ☐ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	177
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	178
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	171
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	7
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	**197**

Page 2 of Final Scoring Notice: 09316, Champion Homes at Bay Walk

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

§49.9(i)(13) – Community Revitalization: To be eligible for these points, the Application must include evidence of a Community Revitalization Plan that has been adopted by the local elected Governing Body. In response to the Department's June 5, 2009 Deficiency Notice, you provided copies of several resolutions and pages from an unknown document, none of which provide evidence of an adopted Community Revitalization Plan. (6 points requested, 0 points awarded)

§49.9(i)(24) – Qualified Census Tract with Revitalization: In a Deficiency Notice issued on June 5, 2009, you were notified that you do not qualify for this point because the Development site is not in a QCT. (1 point requested, 0 points awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Tuesday, June 23, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Wednesday, June 24, 2009. All appeals should be submitted to the attention of Sharon Gamble.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09316, Champion Homes at Bay Walk

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Tuesday, June 23, 2009.

If my appeal is denied by the Executive Director,:

☐ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Wednesday, June 24, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Wednesday, June 24, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

RESOLUTION NO. 08-031

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, TO APPLY FOR FEDERAL HAZARD MITIGATION GRANT PROGRAM FUNDING, TO ENABLE THE CITY TO APPLY FOR ELIGIBLE GRANT PROJECTS AND ASSIST THE CITIZENS, RESIDENTS, BUSINESS OWNERS AND HOMEOWNERS IN RECOVERING FROM THE DESTRUCTION CAUSED BY HURRICANE IKE AND IMPLEMENT LONG-TERM HAZARD MITIGATION, THEREBY REDUCING THE FUTURE LOSS OF LIFE AND PROPERTY; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, the City may be eligible for a number of HMGP grant projects; and,

WHEREAS, individual homeowners and businesses may not apply directly to the program; however the City may apply on their behalf; and,

WHEREAS, several individual homeowners have come before this City Council to request that the City apply for these program grants; and,

WHEREAS, the City staff will investigate, identify and pursue possible eligible grant projects; and

WHEREAS, the City of Galveston has in the past taken aggressive action to protect its the City and its citizens from the effects of natural disasters such as hurricanes, revitalizing and implementing hazard mitigation before such federal programs were even available; and

WHEREAS, the City Council of the City of Galveston, Texas, desires to aid and help the City, its citizens in their hour of need as well as protect against future loss of life and property; and

WHEREAS, the City Council desires that the City Manager take all necessary steps and execute all necessary documents to pursue and apply for eligible grant projects under HMGP funding; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby wholeheartedly supports and endorses this City's application for eligible projects under the hazard mitigation grant program (HMGP) so to assist the City, its citizens, homeowners, and businesses recover after Hurricane Ike and mitigate if not prevent similar catastrophic damage to life and property from future natural disasters.

SECTION 3. The City Council of the City of Galveston, Texas, hereby pledges its support and encourages City staff efforts to apply for the Hazard Mitigation Grant Program funding.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

ROBERTA B. CROSS
ASSISTANT CITY ATTORNEY

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on the 11th day of December, 2008, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 11th day of December, 2008.

CITY OF GALVESTON * 1839 *

Barbara S. Lawrence
Secretary for the City Council
of the City of Galveston

RESOLUTION NO. 09-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, REQUESTING THAT THE STATE OF TEXAS' DEPARTMENT OF EMERGENCY MANAGEMENT AMEND ITS HAZARD MITIGATION PLAN AND ITS POLICIES AND GUIDELINES TO GIVE ELEVATION OF ELIGIBLE PROPERTIES DAMAGED IN THE CITY OF GALVESTON BY HURRICANE IKE THE SAME PRIORITY AND SUBJECT TO THE SAME CRITERIA AS ACQUISITION AND RELOCATION OF PROPERTIES; PROVIDING FOR FINDINGS OF FACT AND DIRECTING THE CITY SECRETARY TO FORWARD A CERTIFIED COPY OF THIS RESOLUTION TO CHIEF JACK COLLEY, GOVERNOR'S DIVISION OF EMERGENCY MANAGEMENT, THE FEMA REGIONAL DIRECTOR, AND THE STATE HAZARD MITIGATION OFFICERS.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, 70-80% of the structures in the City of Galveston were flooded and many of these properties were substantially damaged; and,

WHEREAS, it would be impracticable for the City to acquire all properties substantially damaged by Hurricane Ike, moreover, acquiring those properties would interfere with the continuity of established neighborhoods throughout the City; and,

WHEREAS, elevation of structures located behind the seawall would adequately protect them from future flood events; and

WHEREAS, the State's hazard mitigation plan currently provides that acquisition and relocation is given the highest priority, although that is not appropriate for areas of the City behind the seawall due to the unique characteristics of Galveston Island; and

WHEREAS, the State's hazard mitigation plan is subject to review and modification after a disaster declaration; and;

WHEREAS, the City Council respectfully requests the State to amend their Hazard Mitigation Plan policy as applied to the City of Galveston and prioritize funding for elevation of structures on an equal or greater basis as acquisitions and relocation and the Council further urges the State to request that FEMA issue a policy letter authorizing grants for elevation of structures without further benefit/cost review;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby requests that the State of Texas' Department of Emergency Management amend its Hazard Mitigation Plan and its policies and guidelines to give elevation of eligible properties damaged by Hurricane Ike within the City of Galveston the same or greater priority as consideration for acquisition of properties and subject such properties to the same criteria as acquisition and relocation of properties by waiving the cost/benefit review for substantially damaged properties.

SECTION 3. The City Secretary is directed to provide a certified copy of this Resolution to: Chief Jack Colley, Governor's Division of Emergency Management, Regional Director William Peterson, FEMA Region 6; Greg Pekar, State Hazard Mitigation Officer; and, Hildy Soper, Texas HMGP Mitigation Grants Officer.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

SUSIE GREEN
CITY ATTORNEY

S:\LEGAL\EMERGENCY OPERATIONS\HURRICANE IKE SEPT 13 2008\HMGP STATE RESOLUTION ELEVATION.DOC

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 8th day of January, 2009 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 12th day of January, 2009.

Secretary for the City Council
of the City of Galveston

S:\LEGAL\EMERGENCY OPERATIONS\HURRICANE IKE SEPT 13 2008\HMGP STATE RESOLUTION ELEVATION.DOC

RESOLUTION NO. 08-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, SUPPORTING RAPID ASSESSMENT OF PUBLIC HOUSING WITHIN THE CITY; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THIS RESOLUTION TO PRESIDENT BUSH, GOVERNOR RICK PERRY, HOUSING AND URBAN DEVELOPMENT SECRETARY PRESTON, UNITED STATES SENTORS HUTCHISON AND CORNYN, UNITED STATES REPRESENTATIVES RON PAUL, SHEILA JACKSON LEE AND AL GREEN, STATE SENATOR JACKSON AND STATE REPRESENTAIVE EILAND; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Galveston realizes that families, communities and neighborhoods are the building blocks of our society; and,

WHEREAS, prior to Hurricane Ike, there were hundreds of families who called one of Galveston Housing Authority's (GHA) six public housing developments home; and,

WHEREAS, these residents and their families were displaced as a result of Hurricane Ike's destruction; and,

WHEREAS, since September 13, 2008, only two public housing facilities have re-opened, the Gulf Breeze Senior Development Center and Holland House. Cedar Terrace, Magnolia Homes, Oleander Homes and Palm Terrace remain uninhabitable and unoccupied; and,

WHEREAS, residents of those unopened facilities, remain displaced and scattered; and,

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") headed by Secretary Preston is still assessing the damage to these public housing units and has not yet provided estimates of the damages, or determined whether the units will be repaired or rebuilt; and,

WHEREAS, there is urgent need to resolve the plight of our residents and families, the City of Galveston respectfully urges HUD to expedite their assessment process, so that all of Galveston's citizens may return home and rebuild their lives, communities and neighborhoods; and, the City requests the assistance of President Bush, the Secretary Preston, Governor Perry, and all of its elected officials to expedite this process.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby urges Secretary Preston and the U. S. Department of Housing and Urban Development to redouble their efforts to complete their damage assessments and determine whether public housing in Galveston will be repaired or rebuilt, so that our citizens and families may return home.

SECTION 3. The City Council of the City of Galveston, Texas, hereby directs the City Secretary to send a certified copy of this Resolution to President George W. Bush, Secretary of U. S. Department of Housing and Urban Development Steven Preston, Governor Rick Perry, Senators Kay Bailey Hutchison and John Cornyn, U. S. Representatives Ron Paul, Sheila Jackson Lee and Al Green, State Senator Mike Jackson, and State Representative Craig Eiland.

SECTION 4. This Resolution shall become effective upon its adoption.

APPROVED AS TO FORM:

Roberta B. Cross
Assistant City Attorney

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 11th day of December, 2008, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 11th day of December, 2008.

CITY OF GALVESTON ★ 1839 ★

Barbara S. Lawrence
Secretary for the City Council
of the City of Galveston

WHEREAS, the City Council respectfully requests the State amend their Hazard Mitigation Plan policy as applied to the City of Galveston and prioritize funding for elevation of structures on an equal or greater basis as acquisitions and relocation and the Council further urges the State to request that FEMA issue a policy letter authorizing grants for elevation of structures without further benefit/cost review; and,

WHEREAS, the City Council of the City of Galveston, Texas, hereby requests FEMA to issue a Hurricane Ike policy for purposes of elevation HMGP grant funds that structures located in the City of Galveston within a FEMA identified floodplain that are substantially damaged are automatically deemed cost effective without further benefit/cost review;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby requests FEMA to issue an IKE policy for purposes of elevation HMGP grant funds that structures located in the City of Galveston within a FEMA identified floodplain that are substantially damaged are automatically deemed cost effective without further benefit/cost review.

SECTION 3. The City Secretary of the City of Galveston, Texas, is hereby directed to send a certified copy of this Resolution to United States Senators Kay Bailey Hutchison and John Cornyn, United States Representatives Ron Paul and Chet Edwards, and Regional Director William Peterson, FEMA Region 6.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

SUSIE GREEN
CITY ATTORNEY

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 8th day of January, 2009, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 12th day of January, 2009.

Secretary for the City Council
of the City of Galveston

RESOLUTION NO. 09-003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, TO FEMA TO ISSUE AN IKE POLICY THAT ESTABLISHES FOR PURPOSES OF ELEVATION HMGP GRANT FUNDS THAT STRUCTURES LOCATED IN A FEMA IDENTIFIED FLOODWAY OR FLOODPLAIN IN THE CITY THAT ARE SUBSTANTIALLY DAMAGED ARE AUTOMATICALLY DEEMED COST EFFECTIVE WITHOUT FURTHER BENEFIT/COST REVIEW; PROVIDING FOR FINDINGS OF FACT; PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE UPON ADOPTION; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THIS RESOLUTION TO UNITED STATES SENATORS KAY BAILEY HUTCHISON AND JOHN CORNYN, UNITED STATES REPRESENTATIVES RON PAUL AND CHET EDWARDS, AND FEMA REGIONAL DIRECTOR WILLIAM PETERSON.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, approximately 75 to 80% of structures in Galveston were flooded due to Hurricane Ike, rendering acquisition of all flooded properties impracticable because such acquisition would destroy the continuity of all of the City's existing neighborhoods and substantially diminish the City's tax base; and,

WHEREAS, the State anticipates sufficient Hazard Mitigation Grant Program (HMGP) funding to provide for both property acquisition and elevation of structures appropriate to the needs of the City; and,

WHEREAS, elevation of structures are not currently eligible for HMGP funds unless the property satisfies a benefit/cost review, while property acquisition satisfies the benefit/cost review if it is located in a FEMA identified regulatory floodway or floodplain and has been declared substantially damaged by local authority having such jurisdiction in accordance with criteria promulgated by the National Flood Insurance Program; and,

City of Galveston

Grants and Housing Department

P.O. Box 779 / Galveston, Texas 77553-0779

June 12, 2009

Texas Dept of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: APPLICATION #09317, CHAMPION HOMES AT MARINA LANDING
APPLICATION #09316, CHAMPION HOMES AT BAY WALK

To Whom It May Concern:

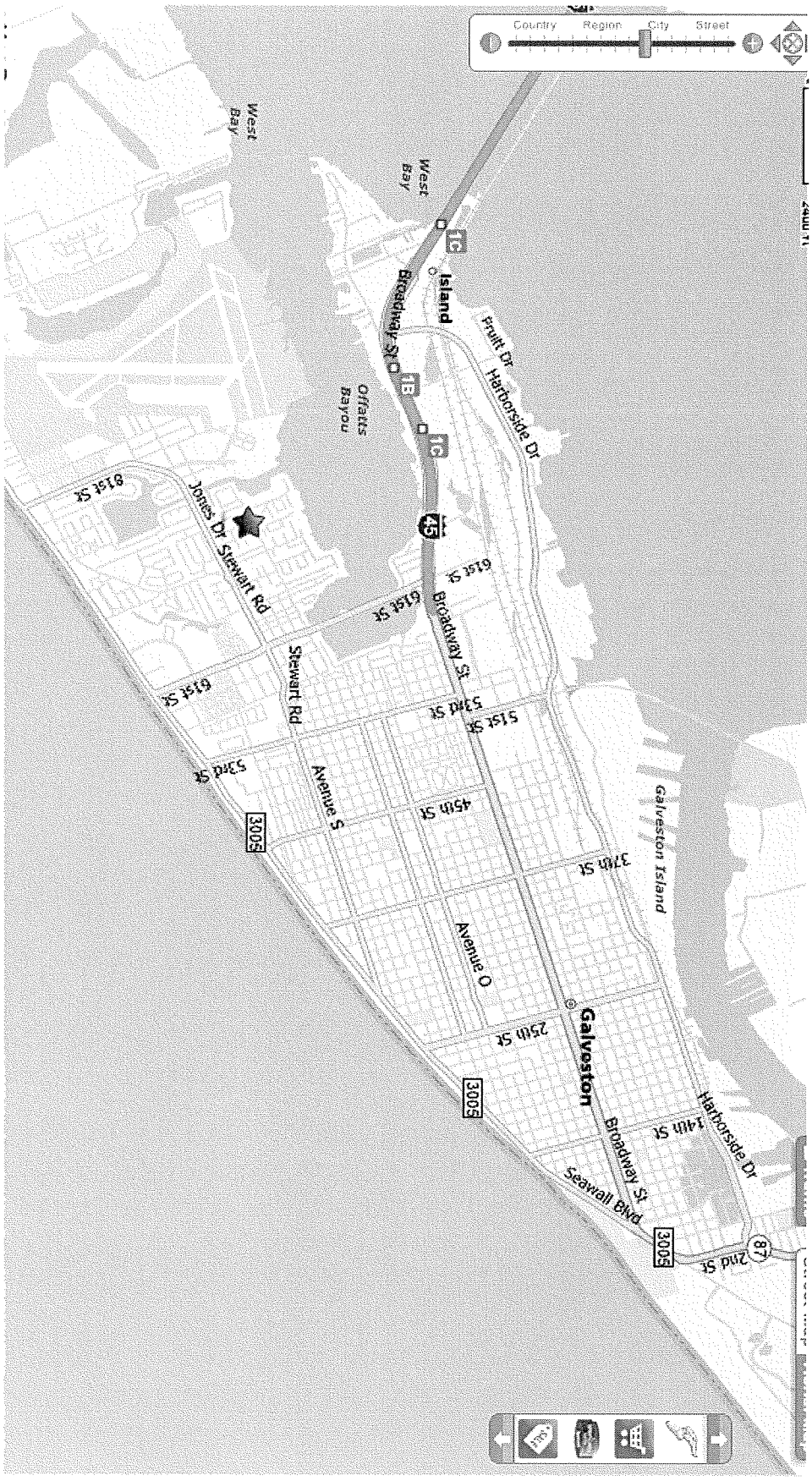
This statement confirms that the properties located at 7200 Heards and 7302 Heards in Galveston TX 77551, are within the city limits and jurisdiction of Galveston, Texas. This letter does not endorse or support Champion Homes' request for Low Income Housing Tax Credits, it simply verifies that the two properties are located in Galveston, Texas..

Please contact me with any questions,

Sincerely,

Stanley W. Tatch

The City of Galveston


Country
Region
City
Street
West Bay
West Bay
Island
Broadway St
Fruitt Dr
Harborside Dr
Offatts Bayou
1C
1B
1C
45
81st St
Jones Dr
Stewart Rd
61st St
61st St
Broadway St
Stewart Rd
61st St
53rd St
51st St
53rd St
Avenue S
45th St
3005
37th St
Galveston Island
Avenue O
25th St
Galveston
3005
Harborside Dr
14th St
Broadway St
Seawall Blvd
3005
87
2nd St

CDBG-Disaster Recovery Housing Program

Total Allocation		**$ 267,387,056**
Housing Allocation	**60% of Allocation**	**$ 160,432,233**
Galveston Long-Term Community Recovery Plan	**Housing Market Study** (page 52) includes the following element: creation of a Housing Market Study to assess the housing stock and develop a housing strategy to meet the community's needs	

Proposed Project	**Description**	**Recovery Plan Element**	**Objective**	**Amount**
Housing Market Study	Program - to conduct a housing needs assessment to assess the housing stock and develop a housing strategy to meet the community's short and long term housing needs; conduct a 2-part study to-1- understand the community's housing stock and -2- create a planning tool to implement the community's vision for the future; and identify housing needs, resources, locations, and housing delivery system.	The City proposes to conduct the project as outlined by the Galveston Community Recovery Committee, but not to delay the implementation of the proposed project for the rehabilitation, reconstruction, and/or elevation of damaged structures until the study is completed.	1 Housing Needs Assessment Study to benefit low-moderate income areas and slum/blight areas	$ 160,000
	Rationale - To compile the various information from damages of the storm to document housing inventory, housing damages, and assessment of the needs for the City's housing stock. The study will support a plan of action for recovery as well as support housing development growth. The success of the recovery efforts is dependent on rebuilding/repairing the community's housing inventory and planning for the future housing needs.			

Galveston Long-Term Community Recovery Plan	**Galveston Housing Rehabilitation and Infill Project** (page 54) includes the following elements: creation of at least 3 Neighborhood Service Centers and a non-profit to operate the centers, development of a Master Plan for Neighborhood Infill Standards, New Construction of Infill Housing, Rehabilitation of Existing Housing, and Elevation of Existing Housing

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Owner-Occupied Rehabilitation, Reconstruction (Infill Housing), and/or Mitigation (Elevation)	Program - Program will assist homeowners without insurance and to meet financial gaps where insurance, FEMA or SBA assistance is inadequate to bring the housing unit into code compliance and elevation standards. Provide rehabilitation improvements to single-family owner-occupied housing units to bring storm damaged units up to current building codes and create safe and sanitary living conditions for the residents. Assistance will include moderate and major housing rehabilitation and elevation as needed. Provide demolition and reconstruction of storm damaged single-family owner-occupied housing units that would not be feasible for rehabilitation. Max for rehabilitation will be at $75,000 per unit. Max for reconstruction will be at $125,000 per unit. Elevation will be at $35,000 per unit.	The City's proposed project would meet the Recovery Plan project to provide owner-occupied rehabilitation, reconstruction (the GCRC terms new construction in the Recovery Plan) and elevation to assist in storm damaged properties. This project would also meet the Owner-Occupied Repairs/Replacement under the Sally Abston Housing Program.	1,180 households to benefit primarily low-moderate income and slum/blight conditions with priority services to the elderly, disabled, and LMI un-insured and under-insured, and then services to others un-insured and under-insured	$103,900,000
	Rationale - For rehabilitation, FEMA storm damage assessments reflect over 8,350 units received minor damages at a value of $4.978 M; more than 7,575 units received major damage at a value of $88.61M; and approximately 1,070 units were substantially damaged at a value of $41.541M. The City's 1,147 units marked as "red" on the permitting flood zone maps. For reconstruction, FEMA storm damage assessments reflect over 350 units were destroyed at a value of $10.507M and over 1,070 units were substantially damaged at a value of $41.541M. The City Planning Dept. has assessed that there were 182 units that were 100% destroyed at a value of $16.7M. There are over 1,147 units marked as "red" on the permitting maps. For elevation, the Planning Dept. and floodplain management requirement that rehabilitation costs over 50% of the assessed value will have to be mitigated. The FEMA assessment that of the total damages incurred an average of 61% of flood damages were uninsured. FEMA received more than 29,000 requests for individual assistance.			

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Neighborhood Master Plan and Infill Standards	Program - to create a master plan for each neighborhood to develop infill standards, streetscapes, open public spaces, infrastructure improvement, transportation, and connectivity. The Master Neighborhood Plan will be implemented in 2 phases. Phase I will encompass the development of infill housing standards and guidelines to assist the City as we move forward in our recovery efforts. It is anticipated that Phase I may be completed within a 3-6 month period. Phase II will incorporate the design of neighborhood streetscapes, open public spaces, infrastructure improvements, transportation, and connectivity. It is anticipated that Phase II may be completed within 6-9 months.	The City proposes to conduct the Neighborhood Master Plan and Infill Standards as outlined by the Galveston Community Recovery Committee, but not to delay the implementation of the proposed project for rehabilitation, reconstruction, and elevation until the plan is completed.	1 Neighborhood Master Plan and Infill Standards to benefit primarily low-moderate income areas and slum/blight conditions	$ 325,000
	Rationale - To save and regenerate existing neighborhoods and to improve their affordability and appeal in the recovery process from the damages of the storm. The regeneration of existing neighborhoods is the optimum sustainable plan for recovery. Designing for recovery on the neighborhood scale maximizes the funding resources. These guidelines will establish sustainability standards, ensure that new infill development will maintain or enhance the neighborhood character and ensure compatibility. Designing for the public amenities incorporates the social fabric already in place and provides for improving it and takes advantage of existing infrastructure and transportation to increase the appeal of the neighborhoods.			

Galveston Long-Term Community Recovery Plan	**Sustainable Neighborhoods Code Compliance Strategy** (page 59) includes the following elements: develop a Sustaining Neighborhood Strategy including public awareness campaign and outreach, develop citizens training program, and incorporate all aspects of code enforcement as part of an overall strategy

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Sustainable Neighborhoods Code Compliance Strategy	Program - To create a strong and consistently applied sustainable code compliance program to assist with post-storm recovery. Provide 2 additional code compliance officers to inspect storm damaged properties. Develop an overall code compliance strategy to encompass all aspects of code enforcement. Develop an awareness/ educational campaign and outreach	The City's proposed project would be conducted as outlined by the Recovery Plan.	2 Compliance Officers to work in low-moderate income areas or slim/blight areas	$ 125,000
	Rationale - To create a city-wide program and information/educational campaign to assist residents and business owners with property maintenance and improvement issues so as to stablilize property values, prevent neighborhoods blight and reduce health and safety concerns. Serve as a property maintenance guide and educational resource for public and private property owners in restoring their properties. Due to the City's high rate of renters at over 56% (studies indicate that rental property is more likely to fall in a state of disrepair and/or abandonment post-storm and is more likely to suffer from upkeep as there is no self-value of ownership) and 59.8% of low-moderate income residents (they cannot afford the repairs and upkeep of their storm damaged properties and most likely did not have sufficient insurances), more properties will fall into decline and require a more stringent code compliance effort.			

Galveston Long-Term Community Recovery Plan	There were no recommendations from the Galveston Community Recovery Committee on the following projects. These are **City Recommended Projects** to meet the assessed needs of the residents.

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Acquisition and Rehabilitation and/or Acquisition and New Construction (Infill Housing) for Low-Moderate Income Homeownership	Program - Obtain abandoned or other properties for rehabilitation or new construction of infill housing. Provide single-family housing units to be sold to qualified LMI residents. Structures that are unfeasible for rehabilitation will be demolished to make way for new construction. Max for rehabilitation will be $75,000. Max for new construction will be $125,000.	The City's proposed project would meet some elements of the Sally Abston Housing Program (page 57) to provide housing units available to the LMI population to purchase to create more homeownership units. The City would also provide a Homeownership program to assist in downpayment and closing cost in lieu of the rent-to-own program.	40 households to benefit low-moderate income and other eligible residents	$ 5,000,000
	Rationale - The City's assessments of 1,226 substantially damaged properties valued at $342.8M and 182 100% damaged properties valued at $16.73M. FEMA storm damage assessments reflect over 350 units were destroyed at a value of $10.507M and over 1,070 units were substantially damaged at a value of $41.541M. FEMA assessment that 20% of major damaged properties will be abandoned and 61% of flood damaged costs are not insured.			
Homebuyer Assistance	Program - Provide downpayment and closing cost to assist and support qualified LMI residents purchasing properties from the Acquisition/ Rehabilitation and Acquisition/New Construction project and other available housing that meets the City's requirements. Downpayment/closing cost assistance will be up to $5,000 per household.	The City's proposed project would meet a major element of the Sally Abston Housing Program (page 57), to assist renters to become homeowners. The direct assistance for downpayment and closing cost would be in lieu of the rent-to-own program.	125 households to benefit low-moderate income and others at 120% of the median income	$ 625,000
	Rationale - To support the acquisition/rehabilitation and acquisition/new construction properties to be sold to LMI residents. Provide help to eligible citizens to purchase other housing units for sale. Assist in rebuilding the City's population.			

City Recommended Projects - continued

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Rental Rehabilitation	Program - Provide rehabilitation assistance to single-family and small multi-family rental units (structures with under 20 units). Owners must agree to maintain a certain number of units at affordable rental amounts according to HUD acceptable rates for a predesignated affordability period. Program will assist owners of rental properties (non-Section 8) who are under-insured, have no insurance or where a financial gap exists between insurance, FEMA, SBA and the assistance necessary to bring the units up to City code. Max for single-family units will be at $35,000 with an Owner 50% match. Max for multi-family units will be at $15,000 per unit with an Owner 50%	The Galveston Community Recovery Committee did not include a Rental Rehabilitation program in their Recovery Plan.	250 units to benefit low-moderate income	$ 6,045,365
	Rationale - Based on the high number of residents who rent (56%), the componenet of rental rehabilitation should be included in the housing program. FEMA storm damage assessments show there are 212 destroyed rental units at a value of $4.1M. The FEMA assessment that single-family rental properties are uninsured and stand the greatest likelihood of being abandoned even if they only sustain relatively modest damage. The City's programs primarily focus on efforts to assist home-ownership, but with the rental housing units at over 56%, rental rehabilitation assistance is needed for those residents that require decent affordable rental property. There are 69.2% of the rental units that are LMI households. There are over 7,900 units in multi-family structures containing from 2 to 19 units.			
Galveston Housing Authority	Program - Public Housing improvements for the development of 569 units for the GHA's displaced families. GHA plans to provide quality housing choices on a less dense scale and offer a combination of designs and styles to include garden style apartments, a mid-rise development for seniors, duplexes and townhomes.	There is no element to meet.	569 units to benefit low-moderate income	$ 25,000,000
	Rationale - To support the GHA in providing public housing units that have been declared unfit for human occupancy due to storm damage. GHA has estimated the cost to develop the 569 units at approximately $64,000,000; they have made a request to the City for $25,000,000 to assist in the reconstruction to bring back the 569 displaced families. **Please see attached letter from GHA.**			

City Recommended Projects - continued

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Project Management	Program - Consultant to implement programs, project delivery cost (estimated 10% of total)	The Texas Department of Housing and Community Affairs will require the applicant (the City) to demonstrate that they have capacity to administer program funds as well as procuring an eligible subcontractor with proven capacity to administer housing programs.	To ensure compliance with the State's 2 year contract period and proper implementation of projects	$ 16,043,223
	Rationale - To utilize $160M in funding and ensure the proper regulatory, statutory, state and federal requirements by supporting the implementation of projects through the use of a consultant in meeting the 2 year time requirement. The consultant has trained staff that are available from the onset to "hit the ground running" as soon as the contract is approved.			
Project Delivery	Program - Project delivery to execute projects and oversee project management (2% of total)	The Texas Department of Housing and Community Affairs will require the applicant (the City) to demonstrate that they have capacity to administer program funds as well as procuring an eligible subcontractor with proven capacity to administer housing programs.	To ensure compliance of all State and Federal regulatory requirements	$ 3,208,645
	Rationale - To ensure the efficient delivery of projects in utilizing $160M in funding and ensure the proper regulatory, statutory, state and local requirements, additional staff is needed to facilitate this process and meet the timeline of 2 years from the contract date. Additional staff will be needed to provide the project facilitation and oversight of the project management consultant. With the exception of a few waivers that come with the disaster funds all requirements that are associated with federal CDBG funding are in place. This includes the Grants & Housing staff and planning, permitting, inspection and legal services to assure the proper and efficient delivery of the housing projects.			
Total Allocation for Housing Programs				**$160,432,233**

87.62% ($140,570,365) Allocated to Direct Assistance and "Brick and Mortar" Projects

09316

Appeal Documents

ODYSSEY RESIDENTIAL HOLDINGS, L.P.

Mr. Mike Gerber
Executive Director
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

June 17, 2009

RE: TDHCA #09316, CHAMPION HOMES AT BAY WALK, CHICORY COURT VII, L.P.; RESPONSE TO YOUR SCORING NOTICE OF JUNE 16, 2009

Dear Mike:

In response to the final scoring notice, we hereby appeal the disallowance of the six community revitalization points for this hurricane recovery application in the City of Galveston. As we indicated in our application and the response to a deficiency notice of June 5, 2009, we are relying on the hurricane Ike recovery plans for the City of Galveston as evidence that a plan exists and that it includes efforts at revitalization. In our response, we provided the pages of that plan as required by the QAP, referencing the allocation of resources in the City's effort to rebuild and revitalize their community. In the resolutions adopted by the City of Galveston and sent to HUD in support of their funding needs for this plan, they specifically reference the need for revitalization. I also got a letter from the City of Galveston housing department confirming our properties are located in the City of Galveston. The key items for qualification for these 6 points are in the application and the deficiency response, in our opinion. Those keys are:

1. There must be a plan(s) adopted or approved by the political body.
2. The plan must include revitalization as part of its mission.
3. The project must be located in the plan area.

We suggest that the department has sufficient documentation of the City's plans for recovery, rebuilding and revitalization. Revitalization is synonymous with regeneration or revival. The City's hurricane rebuilding plans can only be characterized as an effort to revive the island including its housing stock, economy and infrastructure. We submit there is sufficient evidence for the points to be awarded. Staff is ignoring the reality of this entire application process, which is to allocate hurricane recovery funds to just this area.

We ask that the Executive Director grant our appeal, using his best judgment and the need for allocating at least some of the $290,000,000 in Credits to the City hit the hardest by Hurricane Ike. We think all the applications for this recovery money that is located in the plan area adopted by Congress and the COGs, qualified for these points on their face.

If you choose not to grant our appeal, we request that we be placed on the early July board meeting agenda for a hearing on this appeal of the termination notice. We reserve our right to supplement up to the submission deadline. If any waiver is required from the board, based upon staff's position, we ask the board to grant the application any waiver they deem necessary to maintain this Galveston application for hurricane recovery funding. Applicant does not currently believe any waiver to be required from the Board.

We believe the application score may already be sufficient for an award of funding pursuant to the QAP. We asked for a July appeal date so we do not waste the board or staff time with a scoring appeal on a funded application.

Page Two
Scoring Appeal for Bay Walk

If you have questions about this submission, please do not hesitate to call me. Your consideration of our appeal is appreciated.

Sincerely,

James R. 'Bill' Fisher for Saleem Jafar, President of the GP, with permission.
972.701.5551
bfisher@orhlp.com; sjafar@orhlp.com

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Chicory Court VII, LP
Saleem Jafar
5420 LBJ Freeway, Ste. 1235
Dallas, TX 75240
Phone #: (972) 701-5551
Fax #: (972) 701-5562
Email: sjafar@orhlp.com

Date Issued: June 16, 2009

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Second Email: bfisher@orhlp.com

RE: 2009 Competitive Housing Tax Credit (HTC) Application for Champion Homes at Bay Walk, TDHCA Number: 09316

Attention: Saleem Jafar

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: ☐ USDA ☐ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	177
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	178
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	171
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	7
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	**197**

Page 2 of Final Scoring Notice: 09316, Champion Homes at Bay Walk

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

§49.9(i)(13) – Community Revitalization: To be eligible for these points, the Application must include evidence of a Community Revitalization Plan that has been adopted by the local elected Governing Body. In response to the Department's June 5, 2009 Deficiency Notice, you provided copies of several resolutions and pages from an unknown document, none of which provide evidence of an adopted Community Revitalization Plan. (6 points requested, 0 points awarded)

§49.9(i)(24) – Qualified Census Tract with Revitalization: In a Deficiency Notice issued on June 5, 2009, you were notified that you do not qualify for this point because the Development site is not in a QCT. (1 point requested, 0 points awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Tuesday, June 23, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Wednesday, June 24, 2009. All appeals should be submitted to the attention of Sharon Gamble.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

09316

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 24, 2009

Mr. Saleem Jafar
Chicory Court VII, LP
5420 LBJ Freeway, Ste 1235
Dallas, Texas 75240

Re: Application #09316, Champion Homes at Bay Walk

Dear Mr. Jafar:

Appeal Review

I have carefully reviewed the Application you submitted, as well as your appeal that was received on June 18, 2009, regarding your request that your Application be reconsidered for points under §49.9(i)(13) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Community Revitalization.

In order to be eligible for points under this item, the QAP requires that the Development includes the use of an Existing Residential Development and proposes any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. The QAP defines a Community Revitalization Plan as "a published document under any name, approved and adopted by the local Governing Body by ordinance, resolution, or vote that targets specific geographic areas for revitalization and development of residential developments." The Applicant must provide evidence of a Community Revitalization Plan that has been adopted by the local elected Governing Body. Further, the Applicant must provide a letter from the local chief executive officer or other local official stating that the Development site is located within the targeted development areas outlined in the Community Revitalization Plan.

The documents submitted in response to the Department's June 5, 2009 Deficiency Notice do not include the required elements of a Community Revitalization plan.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials, although the Department STRONGLY ENCOURAGES

you to submit any further documentation by 5:00 p.m. CST on July 2, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09316

Board Appeal Documents

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09316, Champion Homes at Bay Walk

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Tuesday, June 23, 2009.

If my appeal is denied by the Executive Director,:

☑ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Wednesday, June 24, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Wednesday, June 24, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized. Prefer the early July meeting, if necessary

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title Pres.-G.P.

Date 6/17/09

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

09317

Champion Homes at Marina Landing

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Champion Homes at Marina Landing.

Background and Recommendations

Champion Homes at Marina Landing - 09317

On February 27, 2009, an Application was submitted for the above-referenced development. On June 16, 2009, a scoring Notice was issued to the Applicant, including a score of zero points for §49.9(i)(13) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Community Revitalization. Pursuant to §49.9(i)(13) of the 2009 QAP, in order to be eligible for the full award of 6 points for this item, the Applicant must provide evidence that:

> "The Development includes the use of an Existing Residential Development and proposes any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. Evidence of the Community Revitalization Plan (such evidence must include an ordinance, resolution, or otherwise recorded documentation of a vote taken by the local elected Governing Body specifically adopting the Community Revitalization Plan) and a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development areas outlined in the Community Revitalization Plan must be submitted;"

The Applicant provided copies of several resolutions passed by the City Council of the City of Galveston, detailing requests they have made to state and federal agencies regarding their needs as they recover from hurricane damage. None of the resolutions refer to a Community Revitalization Plan. The Applicant also provided excerpts from a CDBG Disaster Recovery Housing Program document. This document lists several proposed projects, including the rehabilitation of owner-occupied housing, the rehabilitation of small multifamily developments with 20 or fewer units, and the rehabilitation of housing developments owned by the City of Galveston Housing Authority. No evidence was provided showing that this documents was adopted by the local elected Governing Body. Finally, the Applicant did not provide a letter from the chief executive officer or other local official with appropriate jurisdiction of the local Governing Body stating that the Development Site is located within the targeted development

areas outlined in the Community Revitalization Plan. The City of Galveston's adopted Consolidated Plan expired on May 31, 2009.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Chicory Court I, LP, a Texas limited partnership
Site Location:	7302 Heards Lane
City/County:	Galveston/Galveston
Regional Allocation Category:	Urban
Population Served:	General
Region:	6
Set Aside:	None
Type of Development:	Acquisition/Rehabilitation
Units:	256
Credits Requested:	$1,643,824

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09317

Scoring Notice

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Chicory Court I, LP
Saleem Jafar
5420 LBJ Freeway, Ste. 1235
Dallas, TX 75240
Phone #: (972) 701-5551
Fax #: (972) 701-5562
Email: sjafar@orhlp.com

Date Issued: June 18, 2009

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Second Email: bfisher@orhlp.com

RE: 2009 Competitive Housing Tax Credit (HTC) Application for Champion Homes at Marina Landing, TDHCA Number: 09317

Attention: Saleem Jafar

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: ☐ USDA ☐ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	186
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	180
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	167
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	13
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	0
Final Score Awarded to Application by Department:	**193**

Page 2 of Final Scoring Notice: 09317, Champion Homes at Marina Landing

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

§49.9(i)(13) – Community Revitalization: To be eligible for these points, the Application must include evidence of a Community Revitalization Plan that has been adopted by the local elected Governing Body. In response to the Department's June 5, 2009 Deficiency Notice, you provided copies of several resolutions and pages from an unknown document, none of which provide evidence of an adopted Community Revitalization Plan. (6 points requested, 0 points awarded)

§49.9(i)(14) – Pre-Application Points: To be eligible for these points, you must have met all of the Pre-Application Threshold requirements. You did not provide sufficient evidence of site control prior to withdrawing your Pre-Application, so you are not eligible for these points. (6 Points Requested, 0 Points Awarded)

§49.9(i)(28) – Third-Party Funding Commitment Outside of Qualified Census Tracts: To be eligible for these points, the Application must include a firm commitment of funds. In a Deficiency Notice dated June 5, 2009, you were notified that you were not eligible for this point because the Application does not include a firm commitment for this item. (1 point requested, 0 points awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Thursday, June 25, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the July 16, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Thursday, July 9, 2009, although you are STRONGLY ENCOURAGED to submit any additional appeal information by 5:00 p.m. (CST) on Thursday, July 2, 2009. All appeals should be submitted to the attention of Sharon Gamble.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

Appeal Election Form: 09317, Champion Homes at Marina Landing

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Thursday, June 25, 2009.

If my appeal is denied by the Executive Director,:

☐ I do wish to appeal to the Board of Directors and request that my application be added to the July 16, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, July 9, 2009 to be placed with the July 16, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 5:00 p.m. (CST) on Thursday, July 2, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

RESOLUTION NO. 08-031

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, TO APPLY FOR FEDERAL HAZARD MITIGATION GRANT PROGRAM FUNDING, TO ENABLE THE CITY TO APPLY FOR ELIGIBLE GRANT PROJECTS AND ASSIST THE CITIZENS, RESIDENTS, BUSINESS OWNERS AND HOMEOWNERS IN RECOVERING FROM THE DESTRUCTION CAUSED BY HURRICANE IKE AND IMPLEMENT LONG-TERM HAZARD MITIGATION, THEREBY REDUCING THE FUTURE LOSS OF LIFE AND PROPERTY; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, the City may be eligible for a number of HMGP grant projects; and,

WHEREAS, individual homeowners and businesses may not apply directly to the program; however the City may apply on their behalf; and,

WHEREAS, several individual homeowners have come before this City Council to request that the City apply for these program grants; and,

WHEREAS, the City staff will investigate, identify and pursue possible eligible grant projects; and

WHEREAS, the City of Galveston has in the past taken aggressive action to protect its the City and its citizens from the effects of natural disasters such as hurricanes, revitalizing and implementing hazard mitigation before such federal programs were even available; and

WHEREAS, the City Council of the City of Galveston, Texas, desires to aid and help the City, its citizens in their hour of need as well as protect against future loss of life and property; and

WHEREAS, the City Council desires that the City Manager take all necessary steps and execute all necessary documents to pursue and apply for eligible grant projects under HMGP funding; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby wholeheartedly supports and endorses this City's application for eligible projects under the hazard mitigation grant program (HMGP) so to assist the City, its citizens, homeowners, and businesses recover after Hurricane Ike and mitigate if not prevent similar catastrophic damage to life and property from future natural disasters.

SECTION 3. The City Council of the City of Galveston, Texas, hereby pledges its support and encourages City staff efforts to apply for the Hazard Mitigation Grant Program funding.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

ROBERTA B. CROSS
ASSISTANT CITY ATTORNEY

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on the 11th day of December, 2008, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 11th day of December, 2008.

CITY OF GALVESTON * 1839 *

Barbara S. Lawrence
Secretary for the City Council
of the City of Galveston

RESOLUTION NO. 09-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, REQUESTING THAT THE STATE OF TEXAS' DEPARTMENT OF EMERGENCY MANAGEMENT AMEND ITS HAZARD MITIGATION PLAN AND ITS POLICIES AND GUIDELINES TO GIVE ELEVATION OF ELIGIBLE PROPERTIES DAMAGED IN THE CITY OF GALVESTON BY HURRICANE IKE THE SAME PRIORITY AND SUBJECT TO THE SAME CRITERIA AS ACQUISITION AND RELOCATION OF PROPERTIES; PROVIDING FOR FINDINGS OF FACT AND DIRECTING THE CITY SECRETARY TO FORWARD A CERTIFIED COPY OF THIS RESOLUTION TO CHIEF JACK COLLEY, GOVERNOR'S DIVISION OF EMERGENCY MANAGEMENT, THE FEMA REGIONAL DIRECTOR, AND THE STATE HAZARD MITIGATION OFFICERS.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, 70-80% of the structures in the City of Galveston were flooded and many of these properties were substantially damaged; and,

WHEREAS, it would be impracticable for the City to acquire all properties substantially damaged by Hurricane Ike, moreover, acquiring those properties would interfere with the continuity of established neighborhoods throughout the City; and,

WHEREAS, elevation of structures located behind the seawall would adequately protect them from future flood events; and

WHEREAS, the State's hazard mitigation plan currently provides that acquisition and relocation is given the highest priority, although that is not appropriate for areas of the City behind the seawall due to the unique characteristics of Galveston Island; and

WHEREAS, the State's hazard mitigation plan is subject to review and modification after a disaster declaration; and;

WHEREAS, the City Council respectfully requests the State to amend their Hazard Mitigation Plan policy as applied to the City of Galveston and prioritize funding for elevation of structures on an equal or greater basis as acquisitions and relocation and the Council further urges the State to request that FEMA issue a policy letter authorizing grants for elevation of structures without further benefit/cost review;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby requests that the State of Texas' Department of Emergency Management amend its Hazard Mitigation Plan and its policies and guidelines to give elevation of eligible properties damaged by Hurricane Ike within the City of Galveston the same or greater priority as consideration for acquisition of properties and subject such properties to the same criteria as acquisition and relocation of properties by waiving the cost/benefit review for substantially damaged properties.

SECTION 3. The City Secretary is directed to provide a certified copy of this Resolution to: Chief Jack Colley, Governor's Division of Emergency Management, Regional Director William Peterson, FEMA Region 6; Greg Pekar, State Hazard Mitigation Officer; and, Hildy Soper, Texas HMGP Mitigation Grants Officer.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

SUSIE GREEN
CITY ATTORNEY

S:\LEGAL\EMERGENCY OPERATIONS\HURRICANE IKE SEPT 13 2008\HMGP STATE RESOLUTION ELEVATION.DOC

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 8th day of January, 2009 as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 12th day of January, 2009.

Secretary for the City Council
of the City of Galveston

S:\LEGAL\EMERGENCY OPERATIONS\HURRICANE IKE SEPT 13 2008\HMGP STATE RESOLUTION ELEVATION.DOC

RESOLUTION NO. 08-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, SUPPORTING RAPID ASSESSMENT OF PUBLIC HOUSING WITHIN THE CITY; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THIS RESOLUTION TO PRESIDENT BUSH, GOVERNOR RICK PERRY, HOUSING AND URBAN DEVELOPMENT SECRETARY PRESTON, UNITED STATES SENTORS HUTCHISON AND CORNYN, UNITED STATES REPRESENTATIVES RON PAUL, SHEILA JACKSON LEE AND AL GREEN, STATE SENATOR JACKSON AND STATE REPRESENTAIVE EILAND; PROVIDING FOR FINDINGS OF FACT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Galveston realizes that families, communities and neighborhoods are the building blocks of our society; and,

WHEREAS, prior to Hurricane Ike, there were hundreds of families who called one of Galveston Housing Authority's (GHA) six public housing developments home; and,

WHEREAS, these residents and their families were displaced as a result of Hurricane Ike's destruction; and,

WHEREAS, since September 13, 2008, only two public housing facilities have re-opened, the Gulf Breeze Senior Development Center and Holland House. Cedar Terrace, Magnolia Homes, Oleander Homes and Palm Terrace remain uninhabitable and unoccupied; and,

WHEREAS, residents of those unopened facilities, remain displaced and scattered; and,

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") headed by Secretary Preston is still assessing the damage to these public housing units and has not yet provided estimates of the damages, or determined whether the units will be repaired or rebuilt; and,

WHEREAS, there is urgent need to resolve the plight of our residents and families, the City of Galveston respectfully urges HUD to expedite their assessment process, so that all of Galveston's citizens may return home and rebuild their lives, communities and neighborhoods; and, the City requests the assistance of President Bush, the Secretary Preston, Governor Perry, and all of its elected officials to expedite this process.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby urges Secretary Preston and the U. S. Department of Housing and Urban Development to redouble their efforts to complete their damage assessments and determine whether public housing in Galveston will be repaired or rebuilt, so that our citizens and families may return home.

SECTION 3. The City Council of the City of Galveston, Texas, hereby directs the City Secretary to send a certified copy of this Resolution to President George W. Bush, Secretary of U. S. Department of Housing and Urban Development Steven Preston, Governor Rick Perry, Senators Kay Bailey Hutchison and John Cornyn, U. S. Representatives Ron Paul, Sheila Jackson Lee and Al Green, State Senator Mike Jackson, and State Representative Craig Eiland.

SECTION 4. This Resolution shall become effective upon its adoption.

APPROVED AS TO FORM:

Roberta B. Cross
Assistant City Attorney

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 11th day of December, 2008, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 11th day of December, 2008.

CITY OF GALVESTON ★ 1839 ★

Barbara S. Lawrence
Secretary for the City Council
of the City of Galveston

WHEREAS, the City Council respectfully requests the State amend their Hazard Mitigation Plan policy as applied to the City of Galveston and prioritize funding for elevation of structures on an equal or greater basis as acquisitions and relocation and the Council further urges the State to request that FEMA issue a policy letter authorizing grants for elevation of structures without further benefit/cost review; and,

WHEREAS, the City Council of the City of Galveston, Texas, hereby requests FEMA to issue a Hurricane Ike policy for purposes of elevation HMGP grant funds that structures located in the City of Galveston within a FEMA identified floodplain that are substantially damaged are automatically deemed cost effective without further benefit/cost review;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Resolution are found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes.

SECTION 2. The City Council of the City of Galveston, Texas, hereby requests FEMA to issue an IKE policy for purposes of elevation HMGP grant funds that structures located in the City of Galveston within a FEMA identified floodplain that are substantially damaged are automatically deemed cost effective without further benefit/cost review.

SECTION 3. The City Secretary of the City of Galveston, Texas, is hereby directed to send a certified copy of this Resolution to United States Senators Kay Bailey Hutchison and John Cornyn, United States Representatives Ron Paul and Chet Edwards, and Regional Director William Peterson, FEMA Region 6.

SECTION 4. This Resolution shall be and become effective from and after its adoption.

APPROVED AS TO FORM:

SUSIE GREEN
CITY ATTORNEY

I, Barbara S. Lawrence, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Galveston at its regular meeting held on the 8th day of January, 2009, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 12th day of January, 2009.

Secretary for the City Council
of the City of Galveston

RESOLUTION NO. 09-003

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS, TO FEMA TO ISSUE AN IKE POLICY THAT ESTABLISHES FOR PURPOSES OF ELEVATION HMGP GRANT FUNDS THAT STRUCTURES LOCATED IN A FEMA IDENTIFIED FLOODWAY OR FLOODPLAIN IN THE CITY THAT ARE SUBSTANTIALLY DAMAGED ARE AUTOMATICALLY DEEMED COST EFFECTIVE WITHOUT FURTHER BENEFIT/COST REVIEW; PROVIDING FOR FINDINGS OF FACT; PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE UPON ADOPTION; DIRECTING THE CITY SECRETARY TO SEND A CERTIFIED COPY OF THIS RESOLUTION TO UNITED STATES SENATORS KAY BAILEY HUTCHISON AND JOHN CORNYN, UNITED STATES REPRESENTATIVES RON PAUL AND CHET EDWARDS, AND FEMA REGIONAL DIRECTOR WILLIAM PETERSON.

WHEREAS, the federal Hazard Mitigation Grant Program (HMGP) provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration; and,

WHEREAS, such Declarations of Disaster were made for the City of Galveston, Texas pursuant to local, state and federal law, following Hurricane Ike; and,

WHEREAS, the possibilities of mitigation projects available under Section 404 of the Stafford Act include but are not limited to: acquisition of real property for willing sellers and demolition or relocation of buildings to convert the property to open space use, elevation of flood prone structures, localized flood control projects, such as certain ring levees and floodwall systems, that are designed specifically to protect critical facilities, retrofitting structures and facilities to minimize damages from high winds, flood, or other natural hazards, post-disaster building code related activities that support building code officials during the reconstruction process; and,

WHEREAS, approximately 75 to 80% of structures in Galveston were flooded due to Hurricane Ike, rendering acquisition of all flooded properties impracticable because such acquisition would destroy the continuity of all of the City's existing neighborhoods and substantially diminish the City's tax base; and,

WHEREAS, the State anticipates sufficient Hazard Mitigation Grant Program (HMGP) funding to provide for both property acquisition and elevation of structures appropriate to the needs of the City; and,

WHEREAS, elevation of structures are not currently eligible for HMGP funds unless the property satisfies a benefit/cost review, while property acquisition satisfies the benefit/cost review if it is located in a FEMA identified regulatory floodway or floodplain and has been declared substantially damaged by local authority having such jurisdiction in accordance with criteria promulgated by the National Flood Insurance Program; and,

City of Galveston

Grants and Housing Department

P.O. Box 779 / Galveston, Texas 77553-0779

June 12, 2009

Texas Dept of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

RE: APPLICATION #09317, CHAMPION HOMES AT MARINA LANDING
APPLICATION #09316, CHAMPION HOMES AT BAY WALK

To Whom It May Concern:

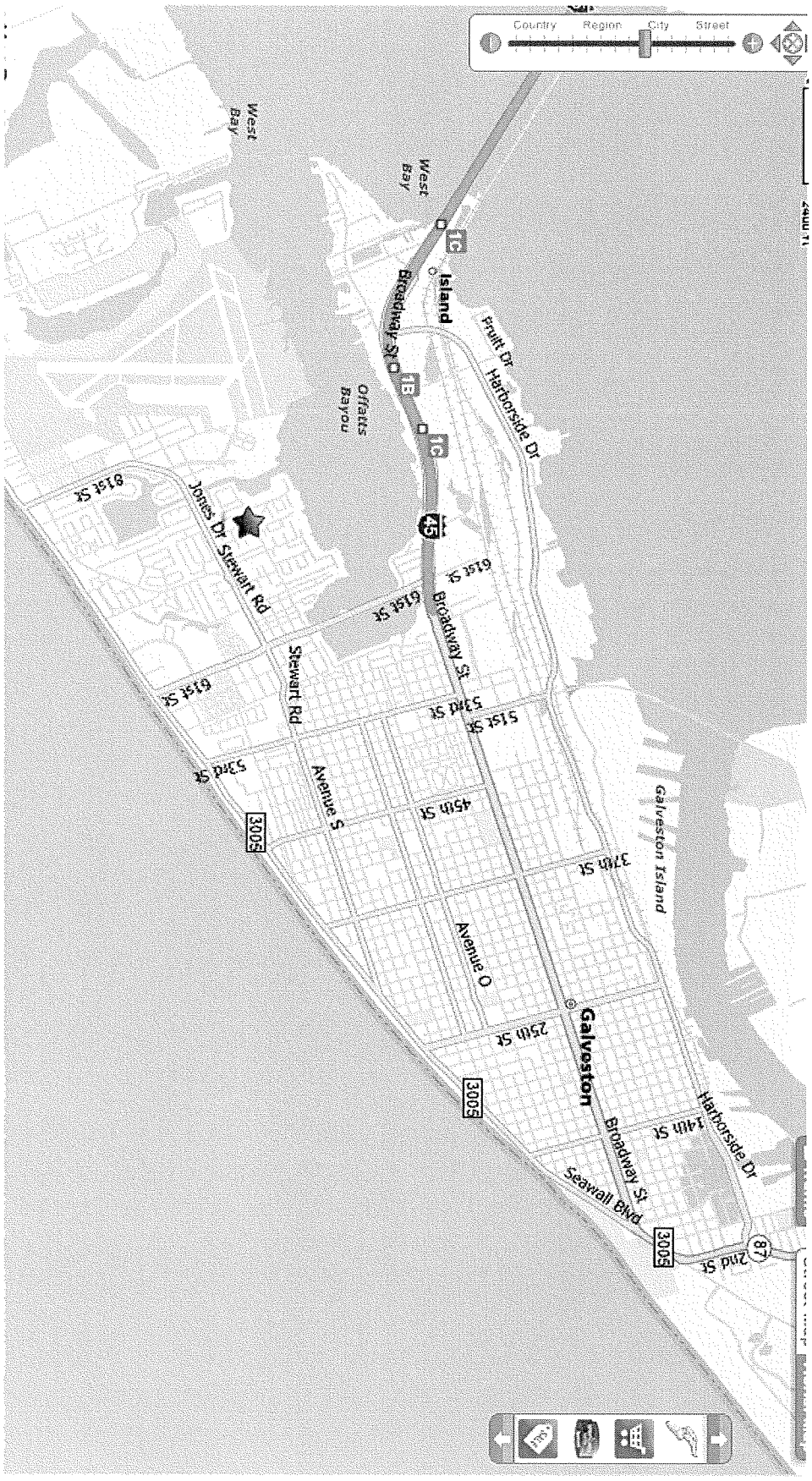
This statement confirms that the properties located at 7200 Heards and 7302 Heards in Galveston TX 77551, are within the city limits and jurisdiction of Galveston, Texas. This letter does not endorse or support Champion Homes' request for Low Income Housing Tax Credits, it simply verifies that the two properties are located in Galveston, Texas..

Please contact me with any questions,

Sincerely,

Stanley W. Tatch

The City of Galveston


Country
Region
City
Street
West Bay
West Bay
Island
Broadway St
Fruitt Dr
Harborside Dr
Offatts Bayou
1C
1B
1C
45
81st St
Jones Dr
Stewart Rd
61st St
61st St
Broadway St
Stewart Rd
61st St
53rd St
51st St
53rd St
Avenue S
45th St
3005
37th St
Galveston Island
Avenue O
25th St
Galveston
3005
Harborside Dr
14th St
Broadway St
Seawall Blvd
3005
87
2nd St

CDBG-Disaster Recovery Housing Program

Total Allocation		**$ 267,387,056**
Housing Allocation	**60% of Allocation**	**$ 160,432,233**
Galveston Long-Term Community Recovery Plan	**Housing Market Study** (page 52) includes the following element: creation of a Housing Market Study to assess the housing stock and develop a housing strategy to meet the community's needs	

Proposed Project	**Description**	**Recovery Plan Element**	**Objective**	**Amount**
Housing Market Study	Program - to conduct a housing needs assessment to assess the housing stock and develop a housing strategy to meet the community's short and long term housing needs; conduct a 2-part study to-1- understand the community's housing stock and -2- create a planning tool to implement the community's vision for the future; and identify housing needs, resources, locations, and housing delivery system.	The City proposes to conduct the project as outlined by the Galveston Community Recovery Committee, but not to delay the implementation of the proposed project for the rehabilitation, reconstruction, and/or elevation of damaged structures until the study is completed.	1 Housing Needs Assessment Study to benefit low-moderate income areas and slum/blight areas	$ 160,000
	Rationale - To compile the various information from damages of the storm to document housing inventory, housing damages, and assessment of the needs for the City's housing stock. The study will support a plan of action for recovery as well as support housing development growth. The success of the recovery efforts is dependent on rebuilding/repairing the community's housing inventory and planning for the future housing needs.			

Galveston Long-Term Community Recovery Plan	**Galveston Housing Rehabilitation and Infill Project** (page 54) includes the following elements: creation of at least 3 Neighborhood Service Centers and a non-profit to operate the centers, development of a Master Plan for Neighborhood Infill Standards, New Construction of Infill Housing, Rehabilitation of Existing Housing, and Elevation of Existing Housing

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Owner-Occupied Rehabilitation, Reconstruction (Infill Housing), and/or Mitigation (Elevation)	Program - Program will assist homeowners without insurance and to meet financial gaps where insurance, FEMA or SBA assistance is inadequate to bring the housing unit into code compliance and elevation standards. Provide rehabilitation improvements to single-family owner-occupied housing units to bring storm damaged units up to current building codes and create safe and sanitary living conditions for the residents. Assistance will include moderate and major housing rehabilitation and elevation as needed. Provide demolition and reconstruction of storm damaged single-family owner-occupied housing units that would not be feasible for rehabilitation. Max for rehabilitation will be at $75,000 per unit. Max for reconstruction will be at $125,000 per unit. Elevation will be at $35,000 per unit.	The City's proposed project would meet the Recovery Plan project to provide owner-occupied rehabilitation, reconstruction (the GCRC terms new construction in the Recovery Plan) and elevation to assist in storm damaged properties. This project would also meet the Owner-Occupied Repairs/Replacement under the Sally Abston Housing Program.	1,180 households to benefit primarily low-moderate income and slum/blight conditions with priority services to the elderly, disabled, and LMI un-insured and under-insured, and then services to others un-insured and under-insured	$103,900,000
	Rationale - For rehabilitation, FEMA storm damage assessments reflect over 8,350 units received minor damages at a value of $4.978 M; more than 7,575 units received major damage at a value of $88.61M; and approximately 1,070 units were substantially damaged at a value of $41.541M. The City's 1,147 units marked as "red" on the permitting flood zone maps. For reconstruction, FEMA storm damage assessments reflect over 350 units were destroyed at a value of $10.507M and over 1,070 units were substantially damaged at a value of $41.541M. The City Planning Dept. has assessed that there were 182 units that were 100% destroyed at a value of $16.7M. There are over 1,147 units marked as "red" on the permitting maps. For elevation, the Planning Dept. and floodplain management requirement that rehabilitation costs over 50% of the assessed value will have to be mitigated. The FEMA assessment that of the total damages incurred an average of 61% of flood damages were uninsured. FEMA received more than 29,000 requests for individual assistance.			

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Neighborhood Master Plan and Infill Standards	Program - to create a master plan for each neighborhood to develop infill standards, streetscapes, open public spaces, infrastructure improvement, transportation, and connectivity. The Master Neighborhood Plan will be implemented in 2 phases. Phase I will encompass the development of infill housing standards and guidelines to assist the City as we move forward in our recovery efforts. It is anticipated that Phase I may be completed within a 3-6 month period. Phase II will incorporate the design of neighborhood streetscapes, open public spaces, infrastructure improvements, transportation, and connectivity. It is anticipated that Phase II may be completed within 6-9 months.	The City proposes to conduct the Neighborhood Master Plan and Infill Standards as outlined by the Galveston Community Recovery Committee, but not to delay the implementation of the proposed project for rehabilitation, reconstruction, and elevation until the plan is completed.	1 Neighborhood Master Plan and Infill Standards to benefit primarily low-moderate income areas and slum/blight conditions	$ 325,000
	Rationale - To save and regenerate existing neighborhoods and to improve their affordability and appeal in the recovery process from the damages of the storm. The regeneration of existing neighborhoods is the optimum sustainable plan for recovery. Designing for recovery on the neighborhood scale maximizes the funding resources. These guidelines will establish sustainability standards, ensure that new infill development will maintain or enhance the neighborhood character and ensure compatibility. Designing for the public amenities incorporates the social fabric already in place and provides for improving it and takes advantage of existing infrastructure and transportation to increase the appeal of the neighborhoods.			

Galveston Long-Term Community Recovery Plan	**Sustainable Neighborhoods Code Compliance Strategy** (page 59) includes the following elements: develop a Sustaining Neighborhood Strategy including public awareness campaign and outreach, develop citizens training program, and incorporate all aspects of code enforcement as part of an overall strategy

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Sustainable Neighborhoods Code Compliance Strategy	Program - To create a strong and consistently applied sustainable code compliance program to assist with post-storm recovery. Provide 2 additional code compliance officers to inspect storm damaged properties. Develop an overall code compliance strategy to encompass all aspects of code enforcement. Develop an awareness/ educational campaign and outreach	The City's proposed project would be conducted as outlined by the Recovery Plan.	2 Compliance Officers to work in low-moderate income areas or slim/blight areas	$ 125,000
	Rationale - To create a city-wide program and information/educational campaign to assist residents and business owners with property maintenance and improvement issues so as to stablilize property values, prevent neighborhoods blight and reduce health and safety concerns. Serve as a property maintenance guide and educational resource for public and private property owners in restoring their properties. Due to the City's high rate of renters at over 56% (studies indicate that rental property is more likely to fall in a state of disrepair and/or abandonment post-storm and is more likely to suffer from upkeep as there is no self-value of ownership) and 59.8% of low-moderate income residents (they cannot afford the repairs and upkeep of their storm damaged properties and most likely did not have sufficient insurances), more properties will fall into decline and require a more stringent code compliance effort.			

Galveston Long-Term Community Recovery Plan	There were no recommendations from the Galveston Community Recovery Committee on the following projects. These are **City Recommended Projects** to meet the assessed needs of the residents.

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Acquisition and Rehabilitation and/or Acquisition and New Construction (Infill Housing) for Low-Moderate Income Homeownership	Program - Obtain abandoned or other properties for rehabilitation or new construction of infill housing. Provide single-family housing units to be sold to qualified LMI residents. Structures that are unfeasible for rehabilitation will be demolished to make way for new construction. Max for rehabilitation will be $75,000. Max for new construction will be $125,000.	The City's proposed project would meet some elements of the Sally Abston Housing Program (page 57) to provide housing units available to the LMI population to purchase to create more homeownership units. The City would also provide a Homeownership program to assist in downpayment and closing cost in lieu of the rent-to-own program.	40 households to benefit low-moderate income and other eligible residents	$ 5,000,000
	Rationale - The City's assessments of 1,226 substantially damaged properties valued at $342.8M and 182 100% damaged properties valued at $16.73M. FEMA storm damage assessments reflect over 350 units were destroyed at a value of $10.507M and over 1,070 units were substantially damaged at a value of $41.541M. FEMA assessment that 20% of major damaged properties will be abandoned and 61% of flood damaged costs are not insured.			
Homebuyer Assistance	Program - Provide downpayment and closing cost to assist and support qualified LMI residents purchasing properties from the Acquisition/ Rehabilitation and Acquisition/New Construction project and other available housing that meets the City's requirements. Downpayment/closing cost assistance will be up to $5,000 per household.	The City's proposed project would meet a major element of the Sally Abston Housing Program (page 57), to assist renters to become homeowners. The direct assistance for downpayment and closing cost would be in lieu of the rent-to-own program.	125 households to benefit low-moderate income and others at 120% of the median income	$ 625,000
	Rationale - To support the acquisition/rehabilitation and acquisition/new construction properties to be sold to LMI residents. Provide help to eligible citizens to purchase other housing units for sale. Assist in rebuilding the City's population.			

City Recommended Projects - continued

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Rental Rehabilitation	Program - Provide rehabilitation assistance to single-family and small multi-family rental units (structures with under 20 units). Owners must agree to maintain a certain number of units at affordable rental amounts according to HUD acceptable rates for a predesignated affordability period. Program will assist owners of rental properties (non-Section 8) who are under-insured, have no insurance or where a financial gap exists between insurance, FEMA, SBA and the assistance necessary to bring the units up to City code. Max for single-family units will be at $35,000 with an Owner 50% match. Max for multi-family units will be at $15,000 per unit with an Owner 50%	The Galveston Community Recovery Committee did not include a Rental Rehabilitation program in their Recovery Plan.	250 units to benefit low-moderate income	$ 6,045,365
	Rationale - Based on the high number of residents who rent (56%), the componenet of rental rehabilitation should be included in the housing program. FEMA storm damage assessments show there are 212 destroyed rental units at a value of $4.1M. The FEMA assessment that single-family rental properties are uninsured and stand the greatest likelihood of being abandoned even if they only sustain relatively modest damage. The City's programs primarily focus on efforts to assist home-ownership, but with the rental housing units at over 56%, rental rehabilitation assistance is needed for those residents that require decent affordable rental property. There are 69.2% of the rental units that are LMI households. There are over 7,900 units in multi-family structures containing from 2 to 19 units.			
Galveston Housing Authority	Program - Public Housing improvements for the development of 569 units for the GHA's displaced families. GHA plans to provide quality housing choices on a less dense scale and offer a combination of designs and styles to include garden style apartments, a mid-rise development for seniors, duplexes and townhomes.	There is no element to meet.	569 units to benefit low-moderate income	$ 25,000,000
	Rationale - To support the GHA in providing public housing units that have been declared unfit for human occupancy due to storm damage. GHA has estimated the cost to develop the 569 units at approximately $64,000,000; they have made a request to the City for $25,000,000 to assist in the reconstruction to bring back the 569 displaced families. **Please see attached letter from GHA.**			

City Recommended Projects - continued

Proposed Project	Description	Recovery Plan Element	Objective	Amount
Project Management	Program - Consultant to implement programs, project delivery cost (estimated 10% of total)	The Texas Department of Housing and Community Affairs will require the applicant (the City) to demonstrate that they have capacity to administer program funds as well as procuring an eligible subcontractor with proven capacity to administer housing programs.	To ensure compliance with the State's 2 year contract period and proper implementation of projects	$ 16,043,223
	Rationale - To utilize $160M in funding and ensure the proper regulatory, statutory, state and federal requirements by supporting the implementation of projects through the use of a consultant in meeting the 2 year time requirement. The consultant has trained staff that are available from the onset to "hit the ground running" as soon as the contract is approved.			
Project Delivery	Program - Project delivery to execute projects and oversee project management (2% of total)	The Texas Department of Housing and Community Affairs will require the applicant (the City) to demonstrate that they have capacity to administer program funds as well as procuring an eligible subcontractor with proven capacity to administer housing programs.	To ensure compliance of all State and Federal regulatory requirements	$ 3,208,645
	Rationale - To ensure the efficient delivery of projects in utilizing $160M in funding and ensure the proper regulatory, statutory, state and local requirements, additional staff is needed to facilitate this process and meet the timeline of 2 years from the contract date. Additional staff will be needed to provide the project facilitation and oversight of the project management consultant. With the exception of a few waivers that come with the disaster funds all requirements that are associated with federal CDBG funding are in place. This includes the Grants & Housing staff and planning, permitting, inspection and legal services to assure the proper and efficient delivery of the housing projects.			
Total Allocation for Housing Programs				**$160,432,233**

87.62% ($140,570,365) Allocated to Direct Assistance and "Brick and Mortar" Projects

09317

Appeal Documents

ODYSSEY RESIDENTIAL HOLDINGS, L.P.

Mr. Mike Gerber
Executive Director
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

June 17, 2009

RE: TDHCA #09317, CHAMPION HOMES AT MARINA LANDING, CHICORY COURT I, L.P.; RESPONSE TO YOUR SCORING NOTICE OF JUNE 16, 2009

Dear Mike:

In response to the final scoring notice, we hereby appeal the disallowance of the six community revitalization points for this hurricane recovery application in the City of Galveston. As we indicated in our application and the response to a deficiency notice of June 5, 2009, we are relying on the hurricane Ike recovery plans for the City of Galveston as evidence that a plan exists and that it includes efforts at revitalization. In our response, we provided the pages of that plan as required by the QAP, referencing the allocation of resources in the City's effort to rebuild and revitalize their community. In the resolutions adopted by the City of Galveston and sent to HUD in support of their funding needs for this plan, they specifically reference the need for revitalization. I also got a letter from the City of Galveston housing department confirming our properties are located in the City of Galveston. The key items for qualification for these 6 points are in the application and the deficiency response, in our opinion. Those keys are:

1. There must be a plan(s) adopted or approved by the political body.
2. The plan must include revitalization as part of its mission.
3. The project must be located in the plan area.

We suggest that the department has sufficient documentation of the City's plans for recovery, rebuilding and revitalization. Revitalization is synonymous with regeneration or revival. The City's hurricane rebuilding plans can only be characterized as an effort to revive the island including its housing stock, economy and infrastructure. We submit there is sufficient evidence for the points to be awarded. Staff is ignoring the reality of this entire application process, which is to allocate hurricane recovery funds to just this area.

We ask that the Executive Director grant our appeal, using his best judgment and the need for allocating at least some of the $290,000,000 in Credits to the City hit the hardest by Hurricane Ike. We think all the applications for this recovery money that is located in the plan area adopted by Congress and the COGs, qualified for these points on their face.

If you choose not to grant our appeal, we request that we be placed on the early July board meeting agenda for a hearing on this appeal of the termination notice. We reserve our right to supplement up to the submission deadline. If any waiver is required from the board, based upon staff's position, we ask the board to grant the application any waiver they deem necessary to maintain this Galveston application for hurricane recovery funding. Applicant does not currently believe any waiver to be required from the Board.

We believe the application score may already be sufficient for an award of funding pursuant to the QAP. We asked for a July appeal date so we do not waste the board or staff time with a scoring appeal on a funded application.

Page Two
Scoring Appeal for Bay Walk

If you have questions about this submission, please do not hesitate to call me. Your consideration of our appeal is appreciated.

Sincerely,

James R. 'Bill' Fisher for Saleem Jafar, President of the GP, with permission.
972.701.5551
bfisher@orhlp.com; sjafar@orhlp.com

09317

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 24, 2009

Mr. Saleem Jafar
Chicory Court I, LP
5420 LBJ Freeway, Ste 1235
Dallas, Texas 75240

Re: Application #09317, Champion Homes at Marina Landing

Dear Mr. Jafar:

Appeal Review

I have carefully reviewed the Application you submitted, as well as your appeal that was received on June 18, 2009, regarding your request that your Application be reconsidered for points under §49.9(i)(13) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Community Revitalization.

In order to be eligible for points under this item, the QAP requires that the Development include the use of an Existing Residential Development and propose any Rehabilitation or any Reconstruction that is part of a Community Revitalization Plan. The QAP defines a Community Revitalization Plan as "a published document under any name, approved and adopted by the local Governing Body by ordinance, resolution, or vote that targets specific geographic areas for revitalization and development of residential developments." The Applicant must provide evidence of a Community Revitalization Plan that has been adopted by the local elected Governing Body. Further, the Applicant must provide a letter from the local chief executive officer or other local official stating that the Development site is located within the targeted development areas outlined in the Community Revitalization Plan.

The documents submitted in response to the Department's June 5, 2009 Deficiency Notice do not include the required elements of a Community Revitalization plan.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials, although the Department STRONGLY ENCOURAGES

you to submit any further documentation by 5:00 p.m. CST on July 2, 2009. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09317

Board Appeal Documents

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09317, Champion Homes at Marina Landing

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Thursday, June 25, 2009.

If my appeal is denied by the Executive Director,:

☑ I do wish to appeal to the Board of Directors and request that my application be added to the July 16, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, July 9, 2009 to be placed with the July 16, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 5:00 p.m. (CST) on Thursday, July 2, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title Pres. - GP.

Date 6/18/09

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

09201

Ventana Pointe Apartments

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Ventana Pointe.

Background and Recommendations

Ventana Pointe - 09201

The applicant is appealing the score received for Quantifiable Community Participation (QCP).

The Department received a letter in support of the above referenced development. However, the receipt of the letter was after the required deadline. In accordance with §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules, the letter must be received, by the Department, or postmarked, no later than February 27, 2009. The receipt after the deadline disqualified the letter from consideration for QCP.

Staff did review the letter and documentation submitted by the Renaissance 1960 Improvement Corporation and determined that the organization did not qualify for QCP. However, the organization was better described as a Community Development Organization and could possibly qualify for points under §49.9(i)(18) Community Support other than QCP. According to the organization's own formation documents, the Corporation will: 1) engage in community revitalization projects benefiting the general public; 2) provide civic service educational opportunities for area students to be involved in their community revitalization efforts; 3) engage in cultural educational and social programming promoting the diversity of the area; and 4) perform such other functions as may be necessary or appropriate to fulfill the purposes of the Corporation.

Furthermore, the applicant acknowledged their own belief that the organization would not qualify for QCP because the applicant submitted a letter, from the same organization, for points under §49.9(i)(18) Community Support Other than QCP. The applicant did receive points for the Renaissance 1960 Improvement Corporation's letter under §49.9(i)(18).

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. The Quantifiable Community Participation component of the scoring process is particularly based upon information received from

Neighborhood Organizations. The organization clearly submitted the QCP packet after the published deadline. The deadlines and organizational criteria were consistently applied to all QCP participants. Staff believes the correct score was awarded.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Ventana Pointe, Ltd., a to-be-formed Texas limited partnership
Site Location:	Red Oak and Butterfield Road
City/County:	Houston/Harris
Regional Allocation Category:	Urban
Population Served:	Elderly
Region:	6
Set Aside:	Nonprofit
Type of Development:	New Construction
Units:	96
Credits Requested:	$1,091,199
Staff Recommendation:	The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09201

Scoring Notice

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Ventana Pointe, Ltd.
Vincent A. Marquez
3401 Hardy St.
Houston, TX 77009
Phone #: (713) 228-3778
Fax #: (713) 228-3988
Email: vamarquez01@msn.com
Second Email: dguerrero@nrpgroup.com

Date Issued: May 19, 2009

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

RE: 2009 Competitive Housing Tax Credit (HTC) Application for Ventana Pointe, TDHCA Number: 09201

Attention: Vincent A. Marquez

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: ☐ USDA ☑ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	167
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	167
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	167
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	0
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	6
Final Score Awarded to Application by Department:	**199**

Page 2 of Final Scoring Notice: 09201, Ventana Pointe

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 29, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Thursday, June 18, 2009. All appeals should be submitted to the attention of Sharon Gamble. Although you have until June 18, 2009 to submit your appeal to the Board, the Department STRONGLY ENCOURAGES you to submit your appeal to the Board on or before 12:00 p.m. (CST) June 9, 2009.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

Appeal Election Form: 09201, Ventana Pointe

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

☐ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

09201

Appeal Documents

Rec'd TDHCA 5/29/2009

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

May 29, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701-2410

Re: Ventana Pointe
TDHCA #: 09201

Dear Mr. Gerber:

I am writing to appeal the scoring notice issued for Ventana Pointe. Twenty-Four points were not awarded to the application for Quantifiable Community Participation. Per email communication from Sharon Gamble on 5/21/09, the reason given for not awarding the maximum points was that TDHCA indicated that they had not received a Quantifiable Community Participation package from a Neighborhood Organization.

5/21/09 was not the first indication that the development team had of an issue regarding these points. When the list of Quantifiable Community Participation packages was issued by TDHCA, a package for Ventana Pointe was not indicated. The development team contacted Sharon Gamble with concern as well as notifying Mary Davis, the representative from the Neighborhood Organization. Ms. Davis indicated that, using regular US Mail, she had submitted the package to TDHCA on or about 2/23/09. Upon learning of this issue, Ms. Davis contacted TDHCA and sent an additional copy of the package. Ms. Davis' affidavit detailing the events and a copy of the package have been enclosed for your review.

Given the enclosed information, the development team believes that the Quantifiable Community Participation points were earned. Furthermore, Neighborhood Organizations are not allowed assistance by the development team members. Completing the type of paperwork required by TDHCA for these points is not a common procedure to them and can be quite confusing to them, yet they do their best to provide TDHCA the required information with their modest means. Because TDHCA gives such high regard to Neighborhood Organizations' participation, it seems in keeping with the QAP that there would be more latitude with accepting input from Neighborhood Organizations and that Neighborhood Organizations would not be treated like a seasoned Developer or Applicant. Doing so risks discounting valid input in order to implement an arduous process.

Rec'd TDHCA 5/29/2009

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

Thank you for your consideration. Should you require additional information or have additional questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Debra Guerrero
Authorized Representative

Attachments.

Rec'd TDHCA 5/29/2009

AFFIDAVIT

STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared MARY DAVIS ("Affiant"), known to me, and who, after being by me duly sworn on oath stated:

1. "My name is MARY DAVIS. I am over 18 years of age and competent to make this Affidavit. I have personal knowledge of the facts stated in this Affidavit and they are all true and correct.

2. Affiant is the same person who authored the letter dated April 30, 2009 and who authored the "FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION" (FORM) and who mailed such FORM mailed to the Texas Department of Housing and Community Affairs on or about 2/23/2009. A true and correct copy of both documents is attached hereto as Exhibit "A".

3. Affiant hereby states that all of the information described in the Exhibit "A" is true

4. Affiant acknowledges that The Texas Department of Housing and Community Affairs will be relying upon this affidavit in connection with its proposed decision to award Low Income Housing Tax Credits for the proposed Ventana Pointe Development in Harris County.

EXECUTED this 29th day of May, 2009.

AFFIANT:

Mary L. Davis

MARY DAVIS

SUBSCRIBED AND SWORN TO BEFORE ME, on this 29th day of May, 2009.

Lorraine Flores

NOTARY PUBLIC

Rec'd TDHCA 5/29/2009

Renaissance

714 FM 1960 Suite 110 Houston, TX 77090 832.877.4306 (F) 832.249.9794

Faxed
512-475-1895

April 30, 2009

Texas Department of Housing and Community Affairs
P. O. Box 13941 (MC 332-10)
Austin, Texas 78711-3941

Attention: Multifamily Director, Neighborhood Input

Dear Sir/Madame:

It has come to our attention that the "Form for Qualified Neighborhood Organizations To Submit To TDHCA For Quantifiable Community Participation" dated February 20, 2009 and submitted by our organization via regular mail on or about February 23 has not been recorded by your department. We have therefore attached a copy of the contents of the original package.

The package was specifically in support of the proposed senior housing development of Ventana Pt., TDHCA # 09201, with the proposed location of Red Oak and Butterfield.

In any returned correspondence, please note that since the time of our original submission we have moved. The new address is as follows:

714 FM 1960, Suite 110
Houston, Texas 77090

Additionally, we understand that due to the fact that the original documents were sent via regular mail there is virtually no way to prove that they were sent as detailed above. We request that you accept this letter as certification that the documents were sent on or about February 23, 2009 and therefore should have been received in your offices by the required deadline of February 29, 2009.

Sincerely,

Mary L. Davis

Mary L. Davis
Executive Director

Attachments

FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. ☑ This organization is submitting this form and attachments regarding the following proposed application:
   Development Name: Ventana Pt. TDHCA #: 09201
   Development Location: Red Oak + Butterfield
   Development City: Houston Development County: Ventana Pt, Ltd

2. ☑ The persons signing this form have the authority to sign on behalf of this organization.
   Organization Name: Renaissance 1960 Improvement Corp.
   1st Contact Name and Title: Mary Davis, Executive Director
   1st Contact Mailing Address: 714 FM 1960 Suite 105
   1st Contact City: Houston 1st Contact Zip Code: 77090
   1st Contact Day Phone: 832-877-4306 1st Contact Fax: 832-249-9704
   1st Contact Evening Phone: Same 1st Contact E-Mail: mary.davis@renaissance1960.org

3. ☑ This organization is also providing the following additional contact and information for our organization:
   2nd Contact Name: Tom Davis
   2nd Contact Day Phone: 713-705-1276 2nd Contact Fax: none
   2nd Contact Evening Phone: 281-893-2291 2nd Contact E-Mail: tom@davisalliance.com

4. ☑ This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):

   ☐ Homeowners Association

   ☐ Property Owners Association

   ☐ Resident Council and our members occupy the existing development

   ☒ Other (Explain Community Organization focusing on community redevelopment representing property owners (commercial + residential), as well as other community organizations.

MXD
Initials of Signer

5. **Certification of Record:** Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

☐ On record, as of February 27, 2009, with the county in which the development is proposed to be located. **(Attach boundary map and documentation from the county of registration)**

☐ On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. **(Attach boundary map and documentation from the Secretary of State of registration)**

☑ On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). **(Attach boundary map)**

6. **Boundary Description and Certification:** Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Written Boundary Description:
Cypress Creek to the North Richey + Beargrass to the South, Gatewick + I 45 to the East, to Mills Rd, Willow Chase Dr, Misty Willow Dr + Schroeder to the West

☒ This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

7. **Statement of Support/Opposition:** (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

☒ Support the application for Competitive Housing Tax Credits referenced above for the following reasons:
We find their product to be of high quality. Their efforts to be a positive developer thru their high resident's requirements + high security policies will provide a project with positive impact to the community. *

☐ Oppose the application for Competitive Housing Tax Credits referenced above for the following reasons:

* Attached support ltr to Harris Co. dated 8/7/08.

MXO
Initials of Signer

8. **Certify the following:**

☒ This organization acknowledges that this form and attachments must be submitted no later than February 27, 2009 if the form (and enclosures) is relating to an application which submitted a pre-application or April 1, 2009 if the form (and enclosures) is relating to an application which did not submit a pre-application.

☑ This organization certifies that it was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2009 Competitive Housing Tax Credit Application Round; the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; the Applicant, Developer or any employee or agent of any Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance are acceptable forms of assistance); and that the Applicant, Developer or any employee or agent of any Applicant has not provided any "production" assistance for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, delivery of letter or assistance drafting a letter).

☒ This organization acknowledges that this completed form and required attachments must be submitted to Texas Department of Housing and Community Affairs, Attention: Director of Multifamily Finance, Neighborhood Input, P.O. Box 13941 (MC 332-10), Austin TX 78711-3941. For overnight or courier delivery use the following physical address: 221 East 11th Street, Austin TX 78701-2410. Do not use P.O. Box address for overnight or courier delivery. Form and Attachments may also be faxed to (512) 475-1895 or toll free at (800) 733-5120.

☒ This organization certifies that all certifications contained herein are true and accurate. (First and Second Contacts must sign below):

Mary L. Davis — (First Contact Signature)

2-20-09 — (Date)

Mary L. Davis — (Printed Name)

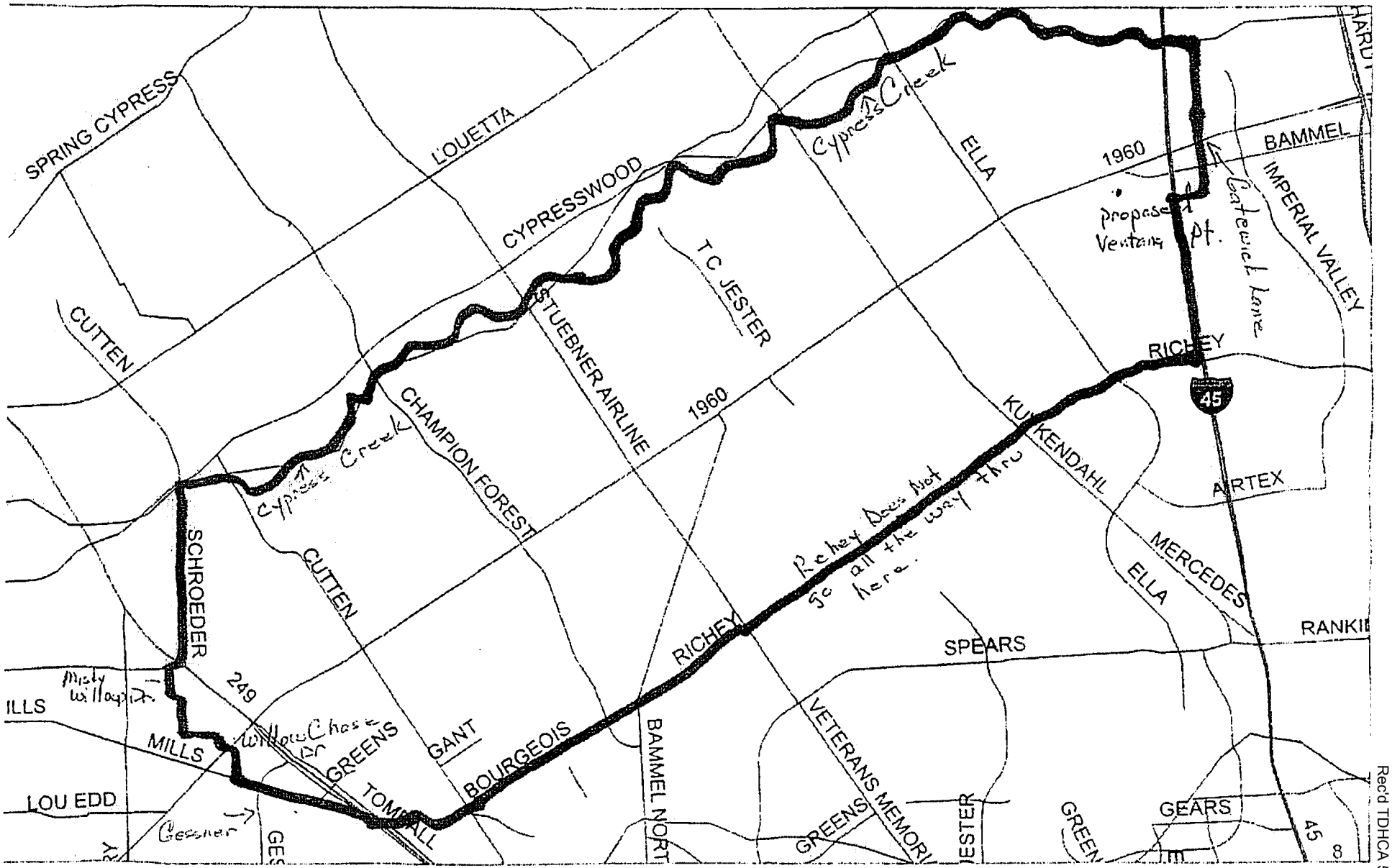
Executive Director — (Title)

Thomas R. Davis — (Second Contact Signature)

2-20-09 — (Date)

Thomas (Tom) R. Davis — (Printed Name)

Forming Board Member — (Title)



Rec'd TDHCA 5/29/2009

Rec'd TDHCA 5/29/2009

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Phil Wilson
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Renaissance 1960 Improvement Corporation
File Number: 800865691

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 09/03/2007

Effective: 09/03/2007

Phil Wilson
Secretary of State

Rec'd TDHCA 5/29/2009

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Phil Wilson
Secretary of State

Office of the Secretary of State

September 04, 2007

Attn: Thomas R. Davis

Thomas R. Davis
5515 Pine Arbor
Houston, TX 77066 USA

RE: Renaissance 1960 Improvement Corporation
File Number: 800865691

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to tax.help@cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Rec'd TDHCA 5/29/2009

CERTIFICATE OF FORMATION OF

RENAISSANCE 1960 IMPROVEMENT CORPORATION

I, the undersigned natural person, of the age of eighteen (18) years or more, acting as the organizer of a corporation under Chapter 3 of the Texas Business Organizations Code (as amended from time to time and together with any successor laws, the "BOC"), do hereby adopt the following Certificate of Formation of such corporation (the "Corporation"):

ARTICLE ONE

The name of the Corporation is Renaissance 1960 Improvement Corporation.

ARTICLE TWO

The Corporation is a nonprofit corporation.

ARTICLE THREE

The period of the Corporation's duration is perpetual.

ARTICLE FOUR

The purposes for which the Corporation is organized and to be operated are exclusively charitable, scientific, and/or educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and future corresponding revenue laws of the United States (the "Code"). In accomplishment of such purposes, the Corporation will:

(1) Engage in community revitalization projects benefitting the general public;

(2) Provide civic service educational opportunities for area students to be involved in their community revitalization efforts;

(3) Engage in cultural educational and social programming promoting the diversity of the area;

(4) Perform such other functions as may be necessary or appropriate to fulfill the purposes of the Corporation.

The broadest discretion is vested in and conferred upon the Board of Directors for the accomplishment of these purposes, provided, however, that no contributions shall be made or distributed to or for any person, firm, corporation, or other entity that shall apply, directly or indirectly, such contributed funds for any purpose or purposes in violation of the Constitution and statutes of the United States or the State of Texas.

ARTICLE FIVE

The street address of the Corporation's initial registered office is 5515 Pine Arbor, Houston, Texas 77066 and the name of its initial registered agent at such address is Mary L. Davis.

ARTICLE SIX

The number of directors constituting the entire Board of Directors shall never be less than five (5). The number of directors constituting the initial Board of Directors of the Corporation is seven (7) and the names and addresses of the persons who are to serve as the initial directors are:

Name	Address
William R. Franks	14451 Cornerstone Village Drive Houston, Texas 77014
Thomas R. Davis	5515 Pine Arbor Drive Houston, Texas 77066
Jay W. Porter Jr.	3934 FM 1960 West, Suite 100 Houston, Texas 77068
Walter A. Plonski III	2000 Willowbrook Mall Houston, Texas 77070
Seth Shar	16603 Southern Oaks Drive Houston, Texas 77014
Barbara Thomason	14511 Falling Creek, Suite 205 Houston, Texas 77014
Pamela Bailey	6630 Cypresswood Drive, Suite 100 Spring, Texas 77379

Thereafter, the number of directors of the Corporation shall be fixed in accordance with the Corporation's Bylaws (the "Bylaws").

ARTICLE SEVEN

The name and street address of the organizer is Mary L. Davis, 5515 Pine Arbor Drive, Houston, Texas 77066.

ARTICLE EIGHT

Regardless of any other provisions of this Certificate of Formation or the laws of the State of Texas, the Corporation shall not:

(1) Permit any part of the net earnings of the Corporation to inure to the benefit of any private individual (except that reasonable compensation may be paid for personal services rendered to or for the Corporation affecting one or more of its purposes);

(2) Devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise; or

(3) Participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE NINE

The Corporation shall have no members.

ARTICLE NINE

The Corporation shall have no members.

ARTICLE TEN

Pursuant to Section 22.304(a)(2) of the BOC, after all liabilities and obligations of the Corporation in the process of winding up are paid, satisfied and discharged, the property of the corporation shall be applied and distributed as follows:

(1) Property held by the corporation on a condition requiring return, transfer, or conveyance because of the winding up or termination shall be returned, transferred, or conveyed in accordance with that requirement; and

(2) The remaining properties of the Corporation shall be distributed to an organization selected by majority vote of the Board of Directors, provided that such organization is at the time of such distribution an organization described in Section 501(c)(3) of the Code. The amount of any distribution made under this ARTICLE TEN shall be determined by the Board of Directors.

ARTICLE ELEVEN

A director of the Corporation shall not be liable to the Corporation for monetary damages for any act or omission in the director's capacity as a director, except that this ARTICLE ELEVEN does not eliminate or limit the liability of a director for:

(1) A breach of a director's duty of loyalty to the Corporation;

(2) An act or omission not in good faith that (i) constitutes a breach of duty of the director to the Corporation or (ii) involves intentional misconduct or a knowing violation of law;

(3) A transaction from which a director received an improper benefit, regardless of whether the benefit resulted from an action taken within the scope of the director's duties; or

(4) An act or omission for which the liability of a director is expressly provided by an applicable statute.

If it is determined that the law of the State of Texas (including without limitation the BOC) authorizes, or if such law is amended to authorize, action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or amendment of such statutes or of the foregoing paragraph shall not adversely affect any right of protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE TWELVE

The Corporation may indemnify a person who was or is threatened to be made a named defendant or respondent in litigation or other proceedings to the extent provided by Chapter 8 of the BOC. As provided in the Bylaws, the Board of Directors shall have the power to define the

requirements and limitations for the Corporation to indemnify directors, officers, or others related to the Corporation.

ARTICLE THIRTEEN

With respect to any action (i) which is required by the BOC to be taken at a meeting of the Board of Directors or (ii) which may be taken at a meeting of the Board of Directors or any committee established by the Board of Directors, such action may be taken without any such meeting if a written consent setting forth the action to be taken is signed by a sufficient number of members of the Board of Directors or committee thereof as would be necessary to take the action at a meeting at which all, and not just a quorum, of the members of the Board of Directors or members of the committee were present and voted.

ARTICLE FOURTEEN

This document becomes effective when the document is filed by the Secretary of State.

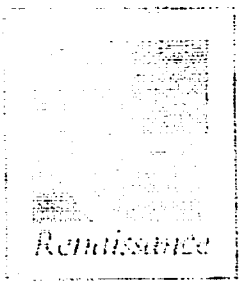
ARTICLE FIFTEEN

This Certificate of Foundation may be amended by majority vote of the Board of Directors at any annual, regular or special meeting, provided that the notice for any special meeting of the Board of Directors at which amendments to this Certificate of Foundation will be considered includes a description of the amendments to be considered.

IN WITNESS WHEREOF, I have hereunto set out my hand this 3rd day of September, 2007.

Mary L. Davis
Organizer

Rec'd TDHCA 5/29/2009



[illegible] Houston, TX [illegible]

August 7, 2008

Mr. David B. Turkel
Director
Community Development Division
5410 Lantern Point
Houston, TX 77054

Re: NRP Group - Seniors Project
Butterfield - between Hafer Rd. and Red Oak

Dear Mr. Turkel:

This letter is written on behalf of the Board of Directors for the Renaissance 1960 Improvement Corporation. The Board convened on Wednesday, August 6, 2008. Following discussion regarding the proposed NRP Seniors project to be located on Butterfield, between Red Oak and Hafer, The Board voted unanimously that they have no objection to this project being developed in the 1960 corridor.

The decision was based on the research staff has done on the NRP Group. We have personally visited other senior projects they have developed and find them to be high quality projects both in their construction, maintenance and management. The NRP Group is working closely with Renaissance 1960 as they move forward with their projects in our area and have proven themselves to be good community partners.

Renaissance 1960 is a non-profit, grass roots community improvement organization working with community partners to bring improvements to the 1960 Corridor between 145 and SH 249. As Executive Director of this organization I would be glad to provide any additional information regarding our dealings with the NRP Group should you desire. Please do not hesitate to contact me at 832.877.4306.

Sincerely,

Mary L. Davis
Executive Director
Renaissance 1960 Improvement Corporation

09201

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 5, 2009

Mr. Vincent A. Marquez
Ventana Pointe, Ltd.
3401 Hardy St.
Houston, Texas 77009
Phone: (713) 228-3778
Fax: (713) 228-3988

Re: Application #09201, Ventana Pointe

Dear Mr. Marquez:

Appeal Review

I have carefully reviewed the appeal received on May 29, 2009, in reference to your score for Quantifiable Community Participation (QCP) points pursuant to documents submitted by the Renaissance 1960 Improvement Corporation for the purpose of scoring Quantifiable Community Participation points pursuant to §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") for the above Application.

> Basic Submission Requirements for Scoring. Each Neighborhood Organization may submit one letter (and enclosures) that represents the organization's input. In order to receive a point score, the letter (and enclosures) must be received, by the Department, or postmarked, if mailed by the U.S Postal Service,no later than February 27, 2009, for letters relating to Applications that submitted a Pre-Application, or April 1, 2009 if a Pre-Application was not submitted. Letters should be addressed to the Texas Department of Housing and Community Affairs, "Attention: Director of Multifamily Finance (Neighborhood Input)." Letters received after the applicable deadline will be summarized for the Board's information and consideration, but will not affect the score for the Application.

Your appeal request is asking the Department to accept information that was obviously delivered to the Department well beyond the deadline of February 27, 2009. The Department did not receive information from this particular organization and did not know that it had even sent information until after the deadline.

Additionally, upon receipt and review of the information submitted, the organization did not qualify for QCP. The organization is better described as a community development organization and not a neighborhood organization. According to the formation documents, the Corporation will: 1) engage in community revitalization projects benefiting the general public; 2) provide civic service educational opportunities for area students to be involved in their community revitalization efforts; 3) engage in cultural educational and social programming promoting the diversity of the area; and 4) perform such other functions as may be necessary or appropriate to fulfill the purposes of the Corporation.

It would appear that you did not believe the organization would qualify for QCP because you submitted a letter from the same organization for points under §49.9(i)(18) Support other than QCP. This organization's letter was scored for points under §49.9(i)(18) and the application was awarded these points.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09201

Board Appeal Documents

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09201, Ventana Pointe

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

☑ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title Executive Director

Date 5/28/09

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

June 17, 2009

Board of Directors
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78701-2410

Re: Ventana Pointe
TDHCA #: 09201

Dear Members:

I am writing to appeal the scoring notice issued for Ventana Pointe. Twenty-Four points were not awarded to the application for Quantifiable Community Participation. Per email communication from Sharon Gamble on 5/21/09, the reason given for not awarding the maximum points was that TDHCA indicated that they had not received a Quantifiable Community Participation package from a Neighborhood Organization.

Subsequently, an appeal has been made to the Executive Director, who has denied the appeal on two grounds. First, the appeal review indicated again that the Quantifiable Community Participation materials were not received by the 2/27/09 deadline. Second, the appeal review indicated that even if the materials had been received by the deadline, the Executive Director indicated that the agency was not a qualified Neighborhood Organization but instead a community development organization. The development team wishes to appeal to these two points based on the following reasons:

With regard to the 2/27/09 deadline:

5/21/09 was not the first indication that the development team had of an issue regarding these points. When the list of Quantifiable Community Participation packages was issued by TDHCA, a package for Ventana Pointe was not indicated as having been received. The development team promptly contacted Sharon Gamble with concern as well as notifying Mary Davis, the representative from the Neighborhood Organization. Ms. Davis indicated that, using regular US Mail, she had submitted the package to TDHCA on or about 2/23/09. Upon learning of this issue, Ms. Davis promptly contacted TDHCA and sent an additional copy of the package. Ms. Davis' affidavit, detailing the events, and a copy of the package have been enclosed for your review.

NRP

5309 Transportation Blvd.
Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

Neighborhood Organizations are not allowed assistance by the development team members, including use of office fax machines or scanners or mailing assistance. This requires Neighborhood Organizations to absorb the cost of producing and mailing in the Quantifiable Community Participation package. While this cost may seem nominal to some, copying, faxing and/or scanning at a copy center coupled with express or certified mail can easily add to $25-$50. This amount can be burdensome to a Neighborhood Organizations so they may have no choice but to use the most economical means available to them which may be regular, US Mail service. This situation leaves TDHCA and the Neighborhood Organization open to a "he said, she said" situation. Furthermore, because TDHCA gives such high regard to Neighborhood Organizations' participation, it seems in keeping with the QAP that there would be more latitude with accepting input from Neighborhood Organizations and that Neighborhood Organizations would not be treated like a seasoned Developer or Applicant. Doing so risks discounting valid input because some Neighborhood Organizations have more resources than others.

With regard to the Neighborhood Organization status:

Per the Qualified Allocation Plan (QAP), a Neighborhood Organization is "An organization that is composed of persons living near one another within the organization's defined boundaries for the neighborhood and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. A neighborhood organization includes a homeowners' association or a property owners' association." This definition does not state that Neighborhood Organizations cannot include a community development organization and community development organization is not a defined term in the QAP.

The appeal review letter notes as an issue that Renaissance 1960's documents show the organization is to "engage in community revitalization projects benefitting the general public, provide civic service educational opportunities for area students to be involved in their community revitalization efforts, engage in cultural educational and social programming promoting the diversity of the area and perform such other functions as may be necessary or appropriate to fulfill the purposed of the corporation". The items just described are simply ways for this Neighborhood Organization to "maintain or improve the general welfare of the neighborhood".

Finally, the section of the application pertaining to Demonstration of Community Input other than Quantifiable Community Participation included four letters, one from Renaissance 1960 and three from community and civic organizations. While the section of the QAP pertaining to these points does indicate that neighborhood organization support is not relevant to this section, the letter was submitted in this section simply to show support along with the three community and civic organizations.

NRP

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Cleveland, Ohio 44125
Phone (216) 475-8900
Fax (216) 475-6101
www.nrpgroup.com

For all of the reasons detailed herein, the development team believes that Ventana Pointe should receive 24 Quantifiable Community Participation points. Thank you for your consideration. Should you require additional information or have additional questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Debra Guerrero
Authorized Representative

Attachments.

09314

Taylor Farms

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of scoring for Taylor Farms.

Background and Recommendations

Taylor Farms - 09314

On February 27, 2009, an Application was submitted for the above-referenced development. On May 19, 2009, a scoring Notice was issued to the Applicant, including a score of 12 points for §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Quantifiable Community Participation, in relation to the letter of support submitted to the Department by the Urban Campus Property Owners Association for the purpose of scoring points for the Application. Pursuant to §49.9(i)(2) of the 2009 QAP, in order to be eligible for the full award of 24 points, the Neighborhood Organization must:

> "Certify that the organization meets the definition of "Neighborhood Organization as defined in §49.3(63) of this chapter." For the purposes of this section, a "Neighborhood Organization" is defined as an organization of persons living near one another within the organization's defined boundaries in effect February 27, 2009 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood Organizations" include homeowners associations, property owners associations, and resident councils in which the council is commenting on the Rehabilitation or reconstruction of the property occupied by the residents. "Neighborhood Organizations" do not include broader based "community" organizations;"

The organization was unable to provide evidence that the organization meets this definition of a Neighborhood Organization.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	TF Development, LP, a Texas limited partnership
Site Location:	32 Pennacle Park Blvd
City/County:	Dallas/Dallas
Regional Allocation Category:	Urban
Population Served:	General
Region:	3
Set Aside:	None
Type of Development:	New Construction
Units:	160
Credits Requested:	$1,879,930

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. The Quantifiable Community Participation component of the scoring process is particularly based upon information received from Neighborhood Organizations. That the organization has actively sought to now include persons within their boundaries at this stage suggests that acceptance of new information from Neighborhood Organizations after the scores have been publicized provides an opportunity for organizations to adjust deliverables after the process has been completed.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09314

Scoring Notices

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

TF Development, LP
Jason Hutton
600 N. Bishop Ave.
Dallas, TX 75208
Phone #: (214) 205-7492
Fax #: (214) 922-3380
Email: jhutton@groundfloordev.com

Date Issued: May 22, 2009

THIS NOTICE WILL ONLY BE TRANSMITTED VIA EMAIL

Second Email: Terri_ _ _Anderson@msn.com

RE: 2009 Competitive Housing Tax Credit (HTC) Application for Taylor Farms, TDHCA Number: 09314

Attention: Jason Hutton

The Texas Department of Housing and Community Affairs (the "Department") has completed its Eligibility and Selection Criteria Review of the Application referenced above as further described in §49.9(d)(1) of the 2009 Qualified Allocation Plan and Rules ("QAP"). Below, a summary is provided of the score requested, as calculated by the Applicant, followed by the score requested, as calculated by the Department. The two numbers differ if the Applicant's calculation was incorrect. The next score shown is the score awarded to the Application by the Department, followed by the difference between the score requested (as calculated by the Department) and the score awarded. An explanation of the reason(s) for any differences, including points denied, is provided at the top of the second page of this notice. The next scoring items show the number of points awarded for each of the three categories for which points could not be requested by the applicant: §49.9(i)(2) Quantifiable Community Participation (QCP); §49.9(i)(6) Level of Community Support from State Representative or State Senator; §49.9(i)(18) Demonstration of Community Input other than QCP. This is followed, in bold, by the final cumulative number of points awarded by the Department to the Application.

Please note that if you were awarded points under §49.9(i)(5), or (27) of the 2009 QAP this notice only provides an explanation of any point deductions for those items. Please note that should this application receive an award of tax credits, at the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment approved by the governing body of a local political subdivision for the sufficient local funding and a commitment approved by a qualifying private, state, or federal source to the Department. Qualifying sources other than those submitted in the Application may be submitted to the Department at the time the executed Commitment Notice is required to be submitted pursuant to §49.9(i)(5) and (27) of the 2009 QAP.

To the extent that a threshold review is not yet completed for this application, pursuant to §49.9(d)(3), the final score may still change, in which case you will be notified.

Allocation: Urban Set Asides: ☐ USDA ☐ Non Profit ☐ At Risk

Score Requested by Applicant (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	145
Score Requested as Calculated by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	145
Score Awarded by Department (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	144
Difference between Requested and Awarded (Does not include points for §§49.9(i)(2), (6) or (18) of the 2009 QAP):	1
Points Awarded for §49.9(i)(2), Quantifiable Community Participation:	12
Points Awarded for §49.9(i)(6), Input from State Senator or Representative:	14
Points Awarded for §49.9(i)(18), Community Input Other than QCP:	6
Final Score Awarded to Application by Department:	**176**

Page 2 of Final Scoring Notice: 09314, Taylor Farms

Explanation for Difference between Points Requested and Points Awarded by the Department (explanation does not include points for §§49.9(i)(2), (6) and (18)):

§49.9(i)(27) – Leveraging of Private, State, and Federal Resources: §49.9(i)(27) – Leveraging of Private, State, and Federal Resources: To be eligible for these points, the Application must include an application to the funding entity with evidence of receipt, or a commitment for funding. Your Application included an intent to request funds. In response to your March 31, 2009 Deficiency Notice, you acknowledged that you could not provide sufficient evidence for points under this item. (1 point requested, 0 points awarded)

A formal appeals policy exists for the Competitive HTC Program. If you wish to appeal this scoring notice (including Set-Aside eligibility), you must file your appeal with the Department no later than 5:00 p.m. (CST), Friday, May 29, 2009. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department's Board.

In an effort to increase the likelihood that Board appeals related to scoring and Set-Asides are heard at the June 25, 2009 Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the form requests that the appeal automatically be added to the Board agenda. Note that the completion of the form will add the appeal to the agenda, however any additional information for the appeal to the Board must be received by the Department by no later than 5:00 p.m. (CST) Thursday, June 18, 2009. All appeals should be submitted to the attention of Sharon Gamble. Although you have until June 18, 2009 to submit your appeal to the Board, the Department STRONGLY ENCOURAGES you to submit your appeal to the Board on or before 12:00 p.m. (CST) June 9, 2009.

A posting of all completed final Application scores will be publicized on the Department's website at www.tdhca.state.tx.us by Friday, May 22, 2009 at 5:00 p.m. (CST). A list of the Applications approved to be considered by the Department's Board will be available on the website no later than June 18, 2009. If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble by facsimile at (512) 475-0764 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance

Appeal Election Form: 09314, Taylor Farms

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

☐ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed _____

Title _____

Date _____

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2009 Quantifiable Community Participation

May 22, 2009

Primary Contact:		Second Contact:	
Contact Name:	Rick Williamson, Vice President	Second Contact:	Joe Greer
Contact Phone:	(214)922-3399	Second Phone:	(214) 922-3372
Contact Fax:	(214) 922-3380	Second Fax:	(214) 922-3380
Contact E-Mail:	rick@incapfund.com	2nd E-Mail:	jgeer@incapfund.com

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09314

Dear Rick Williamson:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the 2009 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

> The letter submitted for points under §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") does not qualify because TDHCA staff could not verify members of the organization living within the boundaries.

Because the deficiency was not satisfied, the organization's letter will not be considered further for scoring. Please be assured that the Department values all public input and while the Department will be unable to assign points to the letter, the Department will still record the input in the Application's file and provide the Board of the Department with a summary of the comment for their information and consideration.

Thank you again for your participation in our application process. If you have any questions, please do not hesitate to contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us or by telephone at (512) 475-4610.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance Production

09314

Appeal Documents

Sharon Gamble

From: Bolin, Brandon [bbolin@jw.com]
Sent: Friday, May 29, 2009 2:35 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: jhutton@groundfloordev.com
Subject: Appeal - Taylor Farms

Sharon,

Based on the advice of my consultant, I submitted an intent to appeal the final scoring of our application to you via fax. The basis of my doing so was that I was made aware that our application was given six (6) points based on a letter we received from the Property Owners Association.

We need to appeal that allocation of points in order to qualify the full 24 points based on Quantifiable Community Participation. Based on the fact that residents live within the boundaries of the POA, Taylor Farms should in fact qualify for the additional Neighborhood Organization Points.

I have not been involved in this conversation, but my consultant Terri Anderson, informs me that the Property Owners Association has been in touch with Nicole in your office and that they are in the process of submitting the necessary documentation to cure this issue.

Please let me know what action I need to take if any at this juncture.

Take care,

Brandon Bolin
Associate
Jackson Walker L.L.P.
901 Main Street, Suite 5700
Dallas, TX 75202
P: 214.953.5741
C: 214.991.8331
F: 214.661.6841
www.jw.com

Sharon Gamble

From: Bolin, Brandon [bbolin@jw.com]
Sent: Friday, May 29, 2009 5:12 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: jhutton@groundfloordev.com
Subject: follow-up

Sharon,

I have received word that the POA has submitted to TDHCA information relating to the Neighborhood Organization and their qualifications to be considered as such per the QAP.

In this way, their submission of these materials attempts to satisfy the basis of my appeal.

Thanks,

Brandon Bolin
Associate
Jackson Walker L.L.P.
901 Main Street, Suite 5700
Dallas, TX 75202
P: 214.953.5741
C: 214.991.8331
F: 214.661.6841
www.jw.com

Sharon Gamble

From: Rick Williamson [rick@incapfund.com]
Sent: Friday, May 29, 2009 4:58 PM
To: sharon.gamble@tdhca.state.tx.us
Cc: nicole.fisher@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us
Subject: FW: TDHCA #09314 Appeals information

Sorry, I had the wrong email address listed. Please see below.

Rick Williamson
INCAP Fund
300 Crescent Court, Suite 1100
Dallas, Texas 75201
(214) 922-3399 direct
(214) 922-3380 fax
rick@Incapfund.com

++++++++++++++++++++++++++++++++++++
The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message. Nothing in this message is intended to constitute an Electronic signature for purposes of the Uniform Electronic Transactions Act (UETA) or the Electronic Signatures in Global and National Commerce Act ("E-Sign") unless a specific statement to the contrary is included in this message.

From: Rick Williamson
Sent: Friday, May 29, 2009 4:57 PM
To: Sharon.gamble@tdhca.state.texas.us
Cc: nicole.fisher@tdhca.state.tx.us; robbye.meyer@tdhca.state.tx.us
Subject: TDHCA #09314 Appeals information

Ms. Gamble, in response to our conversation this afternoon, I have attached information verifying that a member of the organization was living within the organizational boundaries on the date of the letter of recommendation.

I will provide additional information as soon as I get it and will respond to Ms. Meyer with regard to her questions on Monday. This is the only information I was able to get before 5:00 pm today.

Please let me know if you have any other questions in the mean time.

Respectfully,
Rick Williamson

Rick Williamson
INCAP Fund
300 Crescent Court, Suite 1100
Dallas, Texas 75201
(214) 922-3399 direct
(214) 922-3380 fax
rick@Incapfund.com

++++++++++++++++++++++++++++++++++++
The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message. Nothing in this message is intended to constitute an Electronic signature for purposes of the Uniform Electronic Transactions Act (UETA) or the Electronic Signatures in Global and National Commerce Act ("E-Sign") unless a specific statement to the contrary is included in this message.

Texas Department of Housing and Community Affairs
Multifamily Finance Production Division
2009 Quantifiable Community Participation

May 22, 2009

Primary Contact:
Contact Name: Rick Williamson, Vice President
Contact Phone: (214)922-3399
Contact Fax: (214) 922-3380
Contact E-Mail: rick@incapfund.com

Second Contact:
Second Contact: Joe Greer
Second Phone: (214) 922-3372
Second Fax: (214) 922-3380
2nd E-Mail: jgeer@incapfund.com

Re: Neighborhood Organization for Quantifiable Community Participation
TDHCA# 09314

Dear Rick Williamson:

I am writing regarding the letter you submitted in response to the deficiency letter for the purpose of scoring Quantifiable Community Participation (QCP) points for the above-referenced application. Thank you for responding to the request.

The Texas Department of Housing and Community Affairs (the Department) has reviewed the letter and the additional documentation you submitted and compared it to the minimum requirements for the letter as required under the 2009 Qualified Allocation Plan and Rules (QAP) that govern the Housing Tax Credit Program this year. Unfortunately, in our review, one or more requirements still have not been satisfied as further described below.

> The letter submitted for points under §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") does not qualify because TDHCA staff could not verify members of the organization living within the boundaries.

Because the deficiency was not satisfied, the organization's letter will not be considered further for scoring. Please be assured that the Department values all public input and while the Department will be unable to assign points to the letter, the Department will still record the input in the Application's file and provide the Board of the Department with a summary of the comment for their information and consideration.

Thank you again for your participation in our application process. If you have any questions, please do not hesitate to contact Sharon Gamble at sharon.gamble@tdhca.state.tx.us or by telephone at (512) 475-4610.

Sincerely,

Robbye Meyer

Robbye Meyer
Director of Multifamily Finance Production

Exhibit A
Lease Agreement

PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 12-04-06
(NOTICE: For use only when SELLER occupies the property for no more than 90 days AFTER the closing)

SELLER'S TEMPORARY RESIDENTIAL LEASE

1. **PARTIES:** The parties to this Lease are MANORVILLE HOMES, LLC. (Landlord) and ALICE ANN PARSONS AND ADDISON DEAN PARSONS (Tenant).
2. **LEASE:** Landlord leases to Tenant the Property described in the Contract between Landlord as Buyer and Tenant as Seller known as 3217 N. CUMBRAID BLVD, DALLAS TEXAS (address).
3. **TERM:** The term of this Lease commences on the date the sale covered by the Contract is closed and funded and terminates April 30th 2009, unless terminated earlier by reason of other provisions.
4. **RENTAL:** Tenant shall pay to Landlord as rental $ 100.00 per MONTH (excluding the day of closing and funding) with the full amount of rental for the term of the Lease to be paid at the time of funding of the sale. Tenant will not be entitled to a refund of rental if this Lease terminates early due to Tenant's default or voluntary surrender of the Property.
5. **DEPOSIT:** Tenant shall pay to Landlord at the time of funding of the sale $ NONE as a deposit to secure performance of this Lease by Tenant. Landlord may use the deposit to satisfy Tenant's obligations under this Lease. Landlord shall refund any unused portion of the deposit to Tenant with an itemized list of all deductions from the deposit within 30 days after Tenant (a) surrenders possession of the Property and (b) provides Landlord written notice of Tenant's forwarding address.
6. **UTILITIES:** Tenant shall pay all utility charges except NONE which Landlord shall pay.
7. **USE OF PROPERTY:** Tenant may use the Property only for residential purposes. Tenant may not assign this Lease or sublet any part of the Property.
8. **PETS:** Tenant may not keep pets on the Property except THOSE LIVING ON PROPERTY AT CLOSING.
9. **CONDITION OF PROPERTY:** Tenant accepts the Property in its present condition and state of repair at the commencement of the Lease. Upon termination, Tenant shall surrender the Property to Landlord in the condition required under the Contract, except normal wear and tear and any casualty loss.
10. **ALTERATIONS:** Tenant may not alter the Property or install improvements or fixtures without the prior written consent of the Landlord. Any improvements or fixtures placed on the Property during the Lease become the Property of Landlord.
11. **SPECIAL PROVISIONS:**
12. **INSPECTIONS:** Landlord may enter at reasonable times to inspect the Property. Tenant shall provide Landlord door keys and access codes to allow access to the Property during the term of Lease.
13. **LAWS:** Tenant shall comply with all applicable laws, restrictions, ordinances, rules and regulations with respect to the Property.
14. **REPAIRS AND MAINTENANCE:** Except as otherwise provided in this Lease, Tenant shall bear all expense of repairing and maintaining the Property, including but not limited to the yard, trees and shrubs, unless otherwise required by the Texas Property Code. Tenant shall promptly repair at Tenant's expense any damage to the Property caused directly or indirectly by any act or omission of the Tenant or any person other than the Landlord, Landlord's agents or invitees.

Initialed for identification by Landlord BU and Tenant AAP TREC NO. 15-4

15. **INDEMNITY:** Tenant indemnifies Landlord from the claims of all third parties for injury or damage to the person or property of such third party arising from the use or occupancy of the Property by Tenant. This indemnification includes attorney's fees, costs and expenses incurred by Landlord.

16. **INSURANCE:** Landlord and Tenant shall each maintain such insurance on the contents and Property as each party may deem appropriate during the term of this Lease. NOTE: CONSULT YOUR INSURANCE AGENT; POSSESSION OF THE PROPERTY BY SELLER AS TENANT MAY CHANGE INSURANCE POLICY COVERAGE.

17. **DEFAULT:** If Tenant fails to perform or observe any provision of this Lease and fails, within 24 hours after notice by Landlord, to commence and diligently pursue to remedy such failure, Tenant will be in default.

18. **TERMINATION:** This Lease terminates upon expiration of the term specified in Paragraph 3 or upon Tenant's default under this Lease.

19. **HOLDING OVER:** Tenant shall surrender possession of the Property upon termination of this Lease. Any possession by Tenant after termination creates a tenancy at sufferance and will not operate to renew or extend this Lease. Tenant shall pay $100.00 per day during the period of any possession after termination as damages, in addition to any other remedies to which Landlord is entitled.

20. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to this Lease is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

21. **SMOKE DETECTORS:** The Texas Property Code requires Landlord to install smoke detectors in certain locations within the Property at Landlord's expense: Tenant expressly waives Landlord's duty to inspect and repair smoke detectors.

22. **SECURITY DEVICES:** The requirements of the Texas Property Code relating to security devices do not apply to a residential lease for a term of 90 days or less.

23. **CONSULT YOUR ATTORNEY:** Real estate licensees cannot give legal advice. This Lease is intended to be legally binding. READ IT CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

24. **NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Landlord: BRYAN WERTZ	To Tenant: Dean & Alice Parsons
MANORVILLE HOMES, LLC	3217 W. Colorado Blvd
P.O. BOX 754	Dallas TX 75211
COPPELL, TX 75019	
Telephone: (817) 905-8644	Telephone: (214) 339-5902
Facsimile:	Facsimile: ( ) same ↑
E-mail: bwertz@pdesoln.com	E-mail: parsoncom@tx.rr.com
By: [signature] Landlord	Alice Ann Parsons Tenant
Manorville Homes LLC Landlord	Addison Dean Parsons Tenant

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (http://www.trec.state.tx.us) TREC NO. 15-4. This form replaces TREC NO. 15-3.

A. Settlement Statement

U.S. Department of Housing and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. ☐FHA 2. ☐FmHA 3. ☐Conv Unins 4. ☐VA 5. ☐Conv Ins. 6. ☐Seller Finance	6. File Number: 09296	7. Loan Number	8. Mortgage Ins Case Number

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower	E. Name & Address of Seller	F. Name & Address of Lender
SLF III/INCAP, L.P., a Texas limited partnership **300 Crescent Court, Ste 1100** **Dallas, TX 75201**	**Addison Dean Parsons and Alice Ann Parsons** **942 Channing Circle** **Dallas, TX 75224**	THEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ORIGINAL INSTRUMENT. LEGACYTEXAS TITLE BY:

G. Property Location	H. Settlement Agent Name	I. Settlement Date
Britain A W, Block B/6161, Lot 5, Dallas County **3217 W. Colorado Blvd.** **Dallas, TX 75211**	**LegacyTexas Title Co.** **3512 Preston Road, Suite 200** **Plano, TX 75093 Tax ID: 56-2471294** **Underwritten By: Lawyers** Place of Settlement **LegacyTexas Title Co** **5949 Sherry Lane, Suite 100** **Dallas, TX 75225**	**2/27/2009** Fund: **2/27/2009**

J. Summary of Borrower's Transaction		**K. Summary of Seller's Transaction**	
100. Gross Amount Due from Borrower		**400. Gross Amount Due to Seller**	
101. Contract Sales Price	**$310,000.00**	401. Contract Sales Price	**$310,000.00**
102. Personal Property		402. Personal Property	
103. Settlement Charges to borrower	**$8,139.89**	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		**Adjustments for items paid by seller in advance**	
106. City property taxes		406. City property taxes	
107. County property taxes		407. County property taxes	
108. Assessment Taxes		408. Assessment Taxes	
109. School property taxes		409. School property taxes	
110. MUD taxes		410. MUD taxes	
111. Other taxes		411. Other taxes	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	**$318,139.89**	**420. Gross Amount Due to Seller**	**$310,000.00**
200. Amounts Paid By Or in Behalf Of Borrower		**500. Reductions in Amount Due to Seller**	
201. Deposit or earnest money	**$12,000.00**	501. Excess Deposit	
202. Principal amount of new loan(s)		502. Settlement Charges to Seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Loan Amount 2nd Lien		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		**Adjustments for items unpaid by seller**	
210. City property taxes		510. City property taxes	
211. County property taxes 01/01/09 thru 02/27/09	**$74.64**	511. County property taxes 01/01/09 thru 02/27/09	**$74.64**
212. Assessment Taxes		512. Assessment Taxes	
213. School property taxes		513. School property taxes	
214. MUD taxes		514. MUD taxes	
215. Other taxes		515. Other taxes	
216. Lease 2/28/09-4/30/09	**$203.57**	516. Lease 2/28/09-4/30/09	**$203.57**
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	**$12,278.21**	**520. Total Reduction Amount Due Seller**	**$278.21**
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)	**$318,139.89**	601. Gross Amount due to seller (line 420)	**$310,000.00**
302. Less amounts paid by/for borrower (line 220)	**$12,278.21**	602. Less reductions in amt. due seller (line 520)	**$278.21**
303. Cash From Borrower	**$305,861.68**	**603. Cash To Seller**	**$309,721.79**

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services; • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.

Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper.

The Public Reporting Burden for this collection of information is estimated to average one hour per response, 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 OMB control number. The information requested does not lend itself to confidentiality.

File No. 09296

L. Settlement Charges			Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700. Total Sales/Broker's Commission based on price	**$310,000.00**	**@ % = $0.00**		
Division of Commission (line 700) as follows:				
701.	to			
702.	to			
703. Commission Paid at Settlement			**$0.00**	**$0.00**
704. Broker Release Payment	to **Allie Beth Allman & Associates**		**$5,000.00**	
800. Items Payable in Connection with Loan				
801. Loan Origination Fee %	to			
802. Loan Discount %	to			
803. Appraisal Fee	to			
804. Credit Report	to			
805. Lender's Inspection Fee	to			
806. Mortgage Insurance Application	to			
807. Assumption Fee	to			
808. Flood Certification Fee	to			
809. Tax Service Fee	to			
900. Items Required by Lender To Be Paid in Advance				
901. Interest from to	@ $0/day			
902. Mortgage Insurance Premium for months	to			
903. Hazard Insurance Premium for years	to			
1000. Reserves Deposited With Lender				
1001. Hazard insurance	months @	per month		
1002. Mortgage insurance	months @	per month		
1003. City property taxes	months @	per month		
1004. County property taxes	months @	per month		
1005. Assessment Taxes	months @	per month		
1006. School property taxes	months @	per month		
1007. MUD taxes	months @	per month		
1008. Other taxes	months @	per month		
1011. Aggregate Adjustment				
1100. Title Charges				
1101. Settlement or closing fee	to			
1102. Abstract or title search	to			
1103. Title examination	to			
1104. Title insurance binder	to			
1105. Document preparation	to			
1106. Notary fees	to			
1107. Attorney's fees	to			
(includes above items numbers:)				
1108. Title insurance	to **LegacyTexas Title Co**		**$1,964.00**	
(includes above items numbers:)				
1109. Lender's coverage	**$0.00/$0.00** .			
1110. Owner's coverage	**$310,000.00/$1,964.00**			
1111. Escrow fee	to **LegacyTexas Title Co**		**$600.00**	
1112. State of Texas Policy Guaranty Fee	to **State of Texas**		**$5.00**	**$0.00**
1113. Courier/Messenger Fee	to **LegacyTexas Title Co**			
1200. Government Recording and Transfer Charges				
1201. Recording Fees	Deed **$28.00** ; Mortgage ; Rel	to **Dallas County Clerk**	**$28.00**	
1202. City/county tax/stamps	Deed ; Mortgage	to		
1203. State tax/stamps	Deed ; Mortgage	to		
1204. Tax certificates	to **Data Trace**		**$55.76**	
1300. Additional Settlement Charges				
1301. Survey	to **Piburn & Associates**		**$487.13**	
1302. Pest Inspection	to			
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			**$8,139.89**	

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and attached signature addendum of this HUD-1 Settlement Statement.

SLF III/INCAP, L.P., a Texas limited partnership

Name:
Title:

Addison Dean Parsons
Addison Dean Parsons

Alice Ann Parsons
Alice Ann Parsons

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.

Settlement Agent — Date 2/27/09

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

09314

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 5, 2009

Mr. Jason Hutton
TF Development, LP
600 N. Bishop Ave.
Dallas, Texas 75208
Phone: (214) 205-7492
Fax: (214)922-3380

Re: Application #09314, Taylor Farms

Dear Mr. Hutton:

Appeal Review

I have carefully reviewed the appeal received on May 29, 2009, in reference to the score awarded for Quantifiable Community Participation (QCP) points pursuant to documents submitted by the Urban Campus Property Owners Association for the purpose of scoring Quantifiable Community Participation points in accordance with §49.9(i)(2) of the 2009 Qualified Allocation Plan and Rules ("QAP") for the above Application. In order to qualify for points, an organization must meet the definition of a Neighborhood Organization and must certify that the organization met the requirements on or before February 27, 2009.

> "Neighborhood Organization is defined as an organization composed of persons living near one another within the organization's defined boundaries and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood"

Upon receipt and review of the information submitted to the Department by the Urban Campus Property Owners Association, staff was unable to verify the existence of "persons living near one another within the organization's defined boundaries". After multiple attempts to get the needed information, staff discontinued contact and concluded the organization did not qualify. Only after the scoring notice was issued, did the organization provide a seller's temporary residential lease for one household. Staff was told they would receive additional information but no additional information was provided. Persons occupying one household, does not meet the test of "persons living near one another." Further, the lease expired on April 30, 2009.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on **June 18, 2009** to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09314

Board Appeal Documents

MULTIFAMILY FINANCE PRODUCTION DIVISION
Housing Tax Credit Program - 2009 Application Round
Final Scoring Notice - Competitive Housing Tax Credit Application

Appeal Election Form: 09314, Taylor Farms

I am in receipt of my 2009 scoring notice and am filing a formal appeal to the Executive Director on or before Friday, May 29, 2009.

If my appeal is denied by the Executive Director,:

☑ I do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Department Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must still be submitted by 5:00 p.m. (CST) Thursday, June 18, 2009 to be placed with the June 25, 2009 Board materials, although I am STRONGLY ENCOURAGED to submit any additional documentation for the Board to consider before 12:00 p.m. (CST) on Thursday, June 9, 2009. If no additional documentation is submitted, the appeal documention to the Executive Director will be utilized.

☐ I do not wish to appeal to the Board of Directors.

Note: If you do not wish to appeal this notice, you do not need to submit this form.

Signed [signature] - Brandon Bolin

Title Managing Member of GFD Holdings, LLC

Date 26 May 09

Please fax or email to the attention of Sharon Gamble:
Fax: (512) 475-0764 or (512) 475-1895
Email: mailto:sharon.gamble@tdhca.state.tx.us

09107

Mexia Gardens

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Mexia Gardens.

Background and Recommendations

Mexia Gardens - 09107

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), an Application is ineligible if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant."

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a "thorough review cannot reasonably be performed".

The Applicant's appeal of the termination included a submission of many but not all of the deficient items. Staff's review of the appeal and the subsequent submission identified the following items to remain deficient:

- For Volume 1, Tab 7 Part B 9% HTC Confirmation of Set-Aside and Allocation Eligibility, the Applicant submitted only the first page of the originally omitted form.
- Evidence of installation of the public notification sign indicates that even though the public hearing information was published on the Department's website on January 27,

2009, the public hearing information was not was included on the sign prior to the date of Application submission, as required by §49.9(h)(8)(B) of the QAP.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Mexia Housing LLC, a Texas limited liability company
Site Location:	NEC N. Bailey Street and E. Sumpter
City/County:	Mexia/Limestone
Regional Allocation Category:	Rural
Population Served:	General
Region:	8
Set Aside:	None
Type of Development:	New Construction
Units:	80
Credits Requested:	$766,818

Staff Recommendation: This termination is based upon the Applicant's failure to meet the public notification requirements of §49.9(h)(8)(B) of the QAP. The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09107

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 8, 2009

Mr. Richard Brown
Mexia Housing, LLC
4901 Coles Avenue
Dallas, Texas 75205

Re: Application #09107, Mexia Gardens

Dear Mr. Brown,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold requirements, the Department identified the following omissions, clarifications, or corrections:

1. Volume 1, Tab 2, Rent Schedule. The gross rents exceed program rents.
2. Volume 1, Tab 3, Development Cost Schedule. The form is not signed and dated by contractor and does not state "to be determined".
3. Volume 1, Tab 4: Letter of intent to provide $225,000 does not state funds will be provided at or below AFR.
4. Volume 3, Tab 5, Organization Chart. The Development Owner's name is not included in the chart for the development owner.
5. Volume 3, Tab 5, Part D, Certification of Principal. The certifications for all principals (i.e. both natural persons and organizations) were not provided.
6. Part A.2, Applicant Unique Identifier. Revise the form to bear the social security number of all natural persons and name and tax ID of all organizations.
7. Volume 1, Tab 7, Part A, Set-Aside Election form and Confirmation of Set-Aside form. Both forms are missing (i.e. form that includes the 40/60 vs 20/50 selection and form selecting nonprofit set-aside, at-risk set-aside, etc.).
8. Volume 1, Tab 7, Credit Limit Certification, Part II. A separate form for each organization and natural person in the owner and developer with each form bearing the applicable owner/developer's name was not provided.
9. Volume 2, Tab 5, Photographs. A ground-level photograph of the site was not submitted.
10. Volume 3, Tab 1, Architectural Plans. Elevations do not state percentages of exterior siding on each building (i.e. 50% brick veneer, 50% hardiplank).
11. Volume 3, Tab 1, Architectural Plans. Site plan does not show building type for each building.

12. Volume 3, Tab 1, Architectural Plans. Unit labels on Type 1 building plan do not match Part F Building/Unit Type form and C1 unit plan.
13. Volume 3, Tab 1, Architectural Plans. Unit plans do not show outside dimensions of all unit types.
14. Volume 3, Tab 2, Part B, Specifications and Amenities form. Form does not indicate units per acre, number of residential buildings, non-residential buildings and maximum number of floors.
15. Volume 3, Tab 2, Site Information. The form does not to include the 11 digit census tract number.
16. Volume 3, Tab 2, Purchase Contract. The escrow receipt from title company was not provided.
17. Volume 3, Tab 2, Title Commitment. The exhibit is absent.
18. Volume 3, Tab 2, Zoning. The letter submitted does not meet the requirements set in the ASPM and QAP regarding requirements of letter without zoning and consolidated plans or other planning documents and statement from jurisdiction that there is a need for affordable housing.
19. Volume 3, Tab 3, Certification of Notifications. Section D is not completed.
20. Volume 3, Tab 3, Part B, Signage on Property. The sign does not meet the requirements set forth in the ASPM and QAP
21. Volume 3, Tab 3, Part B, Signage. The photograph of the sign must be a photograph that includes the surrounding site.
22. Volume 3, Tab 5, Financials. Submit Authorization to Release Financial Information for RLB Affordable Housing, LLC and Mexia Housing, LLC.
23. Volume 3, Tab 5, Financials. Submit financial statement for both organizations named above or a statement that each is recently formed and has not accounts (as applicable).

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP") states that an application is ineligible for an allocation of Housing Tax Credits if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibly will be included in the termination letter to the Applicant."

The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 QAP, the Department has determined the application to be ineligible for consideration because a "thorough review can not reasonably be performed". Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an

appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

09107

Appeal Documents

Rec'd TDHCA 5/15/09

May 15, 2009

Ms. Robbye Meyer
Director Multifamily Finance
TDHCA
221 E. 11th
Austin, TX 78711-3941

Re: Appeal of termination of TDHCA File 09107, Mexia Gardens

Dear Ms. Meyer,

We thank you for the opportunity to appeal. We have attached documentation to support this appeal and respectfully request re-consideration of this termination.

We believe all the items noted in the termination letter reflect bonafide errors, both by the applicant and by the agency, that can easily be corrected as administrative deficiencies. We have enclosed responses to each issue that should address any outstanding concerns.

Additionally ours was the only rural application from this region. We believe there was also no rural application from this region last year. The city of Mexia has never had a new tax credit property. If we are terminated due to correctable mistakes on the application then we will let down all the people who are counting on us to bring affordable new housing to the area. We believe the agency and our principals can work together to get this application reconsidered, with corrections, so we do not have another year pass without housing for these people.

Respectfully,

Richard L. Brown
Frank Pollacia
Harry Hunsicker, Sr.

Item 1.

Volume 1, Tab 2, Rent Schedule - gross rents exceed the program rents.

Response: Below is the rent schedule taken from the 2008 rural rent limits as published on the TDHCA website for areas eligible for higher rents under the 2008 Housing Recovery Act followed by the rents used in our application. Our rents appear to be exactly the same as those on the TDHCA website. The confusion may lie in the higher rent limits for the city of Mexia, which qualifies for the higher rents under the 2008 Housing Recovery Act, versus the Limestone county rents which are lower. Our rents appear to be correct as originally submitted.

Income limits based on household size:

	1	2	3	4	5	6	7	8
30%	$10,350	$11,820	$13,320	$14,790	**$15,960**	$17,160	$18,330	$19,530
40%	$13,800	$15,760	$17,760	$19,720	**$21,280**	$22,880	$24,440	$26,040
50%	$17,250	$19,700	$22,200	$24,650	**$26,600**	$28,600	$30,550	$32,550
60%	$20,700	$23,640	$26,640	$29,580	**$31,920**	$34,320	$36,660	$39,060

Rent limits based on number of bedrooms:

	Efficiency	1	2	3	4	5
30%	$258	$277	$333	$384	$429	$473
40%	$345	$369	$444	**$512**	$572	$631
50%	$431	$461	$555	**$640**	$715	$788
60%	$517	$554	$666	**$768**	$858	$946

These new income and rent limits do not apply to any rural Housing Tax Credit property that also received an allocation of tax exempt bonds. Those properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

The HOME program income and rent limits are not changed by the Housing and Recovery Act of 2008. HOME rental properties continue to have income and rent limits set at the greater of area median income or the State non-metropolitan income limit.

Development Name: **Mexia Gardens** City: **Mexia**

HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other Designation/Subsidy	# of Units (A)	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)
TC30%					8	1	1.00	750	6,000	277	65	212
TC50%					4	1	1.00	750	3,000	461	65	396
TC60%					12	1	1.00	750	9,000	554	65	489
TC60%					44	2	2.00	1,040	45,760	666	85	581
TC60%					12	3	2.00	1,181	14,172	768	105	663
									0			

Item 2.

Volume 1, Tab 3, Development Cost Schedule: - no contractor signature.

Response: On the page following is a new form that includes the contractor's signature.

	TOTAL DEVELOPMENT SUMMARY			Expected Payee Taxpayer Identification Number (TIN)[1] (and % of cost if item involves multiple payees)
	Total Cost	Eligible Basis (If Applicable) Acquisition	New/Rehab.	
The following calculations are for HTC Applications only.				
Deduct From Basis:				
Fed. grant proceeds used to finance costs in eligible basis				
Fed. B.M.R. loans 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%)		$0	$6,554,000	
Total Adjusted Basis			130%	
Applicable Fraction°		$0	$8,520,200	
Total Qualified Basis			9%	
Applicable Percentage°	$766,818	$0	$766,818	
Owner's Requested Credits			100.00%	
	$766,818	$0	$766,818	

Applicant and contractor certify that, to the best of their knowledge, the provided costs and supporting information represent an accurate, uninflated estimate of the costs associated with this development. They also certify that no fees, other than for activities identified in this form, will be paid to the contractor.

Rusk Housing LLC
Development Owner Name

By: Rusk Housing
Signature

Its: Member

5-11-09
Date

ROGER ZAIS
Contractor Name

By: Roger Zais
Signature

Its:

5-11-09
Date

Item 3.

Volume 1, Tab 4: Letter of Intent - Letter does not include language regarding AFR rates.

Response: this item was previously addressed in a deficiency notice. The previous email is below and the letter with the AFR language is on the pages following.

From: Rick Brown [rlb@hunsicker.org]
To: 'Ben Sheppard'
Cc:
Subject: RE: 09107 Supplemental Deficiency Notice is attached - TIME SENSITIVE
Attachments: PRHFC Letter March 29 - AFR Revised.pdf (765 KB)

Please see attached revised letter from the PRHFC that includes language regarding the AFR and also is directly from the agency and not their bond counsel.

I hope this addresses the previous concerns.

Richard L. (Rick) Brown
Hunsicker Appraisal Company
4901 Cole Avenue
Dallas, TX 75205-3401
Voice 214-521-0300 ext 7
FAX 214-521-8722
rlb@hunsicker.org

From: Ben Sheppard [mailto:ben.sheppard@tdhca.state.tx.us]
Sent: Friday, March 27, 2009 9:34 AM
To: 'rlb@hunsicker.org'; 'Frank Pollacia AIA NCARB'
Subject: 09107 Supplemental Deficiency Notice is attached - TIME SENSITIVE
Importance: High

Please respond to acknowledge receipt.

Ben Sheppard
Texas Department of Housing & Community Affairs
Telephone: (512) 475-2122
Facsimile: (512) 475-1895

Rec'd TDHCA 5/15/09

PANHANDLE REGIONAL HOUSING FINANCE CORPORATION

P.O. Box 1430 • Hereford, Texas 79045 • Telephone: (806) 360-2060 • Fax: (806) 364-1145

March 29, 2009

Mr. Richard L. Brown
Hunsicker Appraisal Company
4901 Cole Avenue
Dallas, TX 75205-3401

Re: Mexia Gardens, Mexia, Texas, Loan Application;
TDHCA #09-107

Dear Mr. Brown:

Please be advised that the Panhandle Regional Housing Finance Corporation (the "*Corporation*") intends to loan $225,000.00 to Mexia Housing LLC, a Texas limited liability company, subject to the completion of due diligence and subject to repayment and security items acceptable to the Corporation, to be used for costs related to the development of the Mexia Gardens, Mexia, Texas. The term of the loan will be for the later of 12 months after initial funding or until the development is placed in service and the funds will be provided at or below AFR. This is an intent to fund only. The Corporation understands that funds to make the loan may not have been, nor can be, first provided to the Corporation from the applicant, developer, consultant, related party or any individual or entity acting on behalf of the proposed applicant.

The Corporation was asked to assist with this project after the Heart of Texas Housing Finance Corporation declined. The Corporation welcomes the opportunity to assist with this new project in Mexia, Texas.

The Corporation is organized as a housing finance corporation under section 394 of the Texas Local Government Code. As a regional entity, it is responsible for affordable housing activities within the counties it serves.

2583891.01.04

Rec'd TDHCA 5/15/09

Please let me know if you have any questions or require additional information.

Very truly yours,

PANHANDLE REGIONAL HOUSING FINANCE CORPORATION

By: Michael Carr

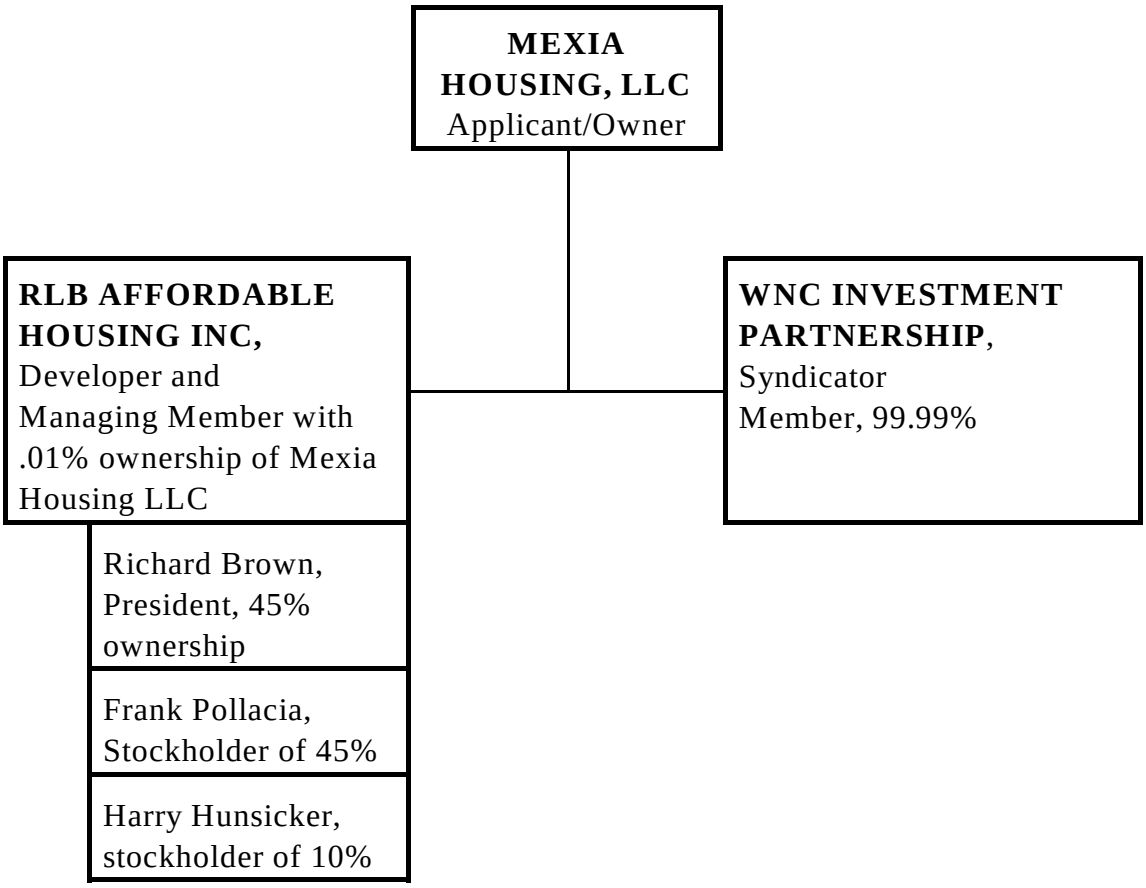
Michael Carr, Treasurer

Item 4.

Volume 3, Tab 5, Organization Chart: "The Development Owner's name is not included in the chart for the development owner".

Response: We believe you are referencing Volume 1, Tab 5, Part A.1. The original chart as submitted seems to indicate all parties. However we have added some additional language to the chart to better identify each party. A revised chart is attached on the page following.

VOLUME 1, TAB 5, PART A.1 APPLICANT AND DEVELOPER OWNERSHIP CHART



Item 5.

Volume 3, Tab 5, Part D, Certification of Principal were not provided for each natural person and entity.

Response: Certifications are included on the pages following for all natural persons and all entities.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed by each natural person and by an authorized person on behalf of each organization that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations, the executive director and members of the board must sign even if such persons have no ownership.

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

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3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Richard L. Brown - Principal
Entity/Person Represented by this form

By: Richard L. Brown 5-12-09 Its: Individual
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L. Brown, whose 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 official seal this 12 day of May, 09. (seal)

A O'Callaghan 7/2/12
Notary Public Signature *Commission Expires*

AIMEE ELIZABETH OCALLAGHAN
Notary Public, State of Texas
My Commission Expires
July 02, 2012

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Volume 1, Tab 5

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Mexia Housing LLC
Entity/Person Represented by this form

By: Richard L. Brown 5-12-09 Its: Member
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L. Brown, whose 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 official seal this 12 day of May, 09. (seal)

A O'Callaghan 7/2/12
Notary Public Signature *Commission Expires*

AIMEE ELIZABETH OCALLAGHAN
Notary Public, State of Texas
My Commission Expires
July 02, 2012

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

RLB Affordable Housing ~~LLC~~ Inc.
Entity/Person Represented by this form

By: _____ 5-12-09 Its: President ~~Member~~
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L Brown, whose 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 official seal this 12 day of May, 09. (seal)

_____ 1/2/12
Notary Public Signature *Commission Expires*

AIMEE ELIZABETH OCALLAGHAN
Notary Public, State of Texas
My Commission Expires
July 02, 2012

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Frank Pollacia - Individual
Entity/Person Represented by this form

By: X _____ 5-12-09 Its: _____
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that FRANK N. POLLACIA, whose 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 official seal this 12 day of MAY, 2009 (seal)

Cynthia Diane Millaway 11/4/2011
Notary Public Signature *Commission Expires*

CYNTHIA DIANE MILLAWAY
MY COMMISSION EXPIRES
November 4, 2011

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Item 6.

Part A.2 Applicant Unique Identifier.

Response: Additional SS and EIN numbers have been obtained and for privacy reasons will be sent separately by fax.or hand delivery

Item 7.

Volume 1, Tab 7, Part A, Set Aside Election Form and Confirmation of Set Aside Form was not provided.

Response: The forms are attached on the pages following.

Volume 1, Tab 7
PART A. HTC APPLICATION SUPPLEMENT (9% & 4% HTC ONLY)

1. SET-ASIDE ELECTION

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 area median gross income, adjusted for family size.

2. SUPPORTIVE SERVICES

Will supportive services be provided to tenants? ☒ Yes ☐ No Services will be: ☐ Mandatory ☐ Optional
Cost of the services included in rent? ☐ Yes ☒ No If "No", the estimated monthly tenant expense is : $_____
Description of services: notary on site
Name of Service Provider: Property Management Company - site manager
Contact Name: Allison Hunsicker Phone: 214-521-0300
Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

Volume 1, Tab 7
PART B. 9% HTC CONFIRMATION OF SET-ASIDE AND ALLOCATION ELIGIBILITY (9% HTC ONLY)

Select all **Set-Asides** below for which the Application is qualified to apply. If documentation is required for the Set-Aside, the documentation must be provided behind this tab (1), unless already required within the Application.

☐ **Nonprofit Set-Aside**
Qualification: Must meet the definition of a Qualified Nonprofit Development at §49.3(83) and the requirements of §49.7(b)(1) of the QAP.
Documentation: Eligibility will be confirmed based on completion of all documentation required for Volume 3, Tab 7.

☐ **At-Risk Set-Aside**
Qualification: Must meet the definition of an At-Risk Development at §49.3(14) and the requirements of §49.7(b)(3) of the QAP.
Documentation: Documentation must be submitted behind this tab showing that the Development meets Parts A through D of the definition for an At-Risk Development.

PART A: Documentation for Part A must show that the subsidy or benefit is from one of the following approved programs (check ALL applicable programs tied to the Development):

- ☐ Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 17151)
- ☐ 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 United States Department of Housing and Urban Development.
- ☐ The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development.
- ☐ 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)

PART B: Check one of the following:

- ☐ The stipulation to maintain affordability in the contract granting the subsidy or subsidies will expire no later than July 31, 2011 (provided such benefit constitutes a subsidy).
- ☐ The federally insured mortgage is eligible for prepayment or will end no later than July 31, 2011.

PART C: An Application for a Development that includes the demolition of the existing Units which have received the financial benefits described in Part A will not qualify as an At-Risk Development unless the redevelopment will include the same site.

PART D: I certify that I:

- ☐ am not eligible to renew, retain or preserve any portion of the financial benefit described in §49.3(14)(A) of the QAP,
- ☐ will renew, retain or preserve the financial benefit described in §49.3(14)(A) of the QAP.

Pursuant to §49.7(b)(3) of the 2009 Qualified Allocation Plan, I understand that I must have submitted a *2009 INTENT TO REQUEST HOUSING TAX CREDITS* in order to apply for the At-Risk Set-Aside. That form must have been submitted to the Department by January 5, 2009 at 5:00 p.m. in order to be considered under either of those set-asides for tax credits in the 2009 Application Round.

Item 8.

Volume 1, Tab 7, Credit Limit Certification Part II - separate forms for each person and entity were not provided.

Response: Certifications for each entity and natural person are on the pages following.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Harry B. Hunsicker

which is:
- ☐ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☒ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Mexia Gardens	Mexia	0	10%

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: X Harry B. Hunsicker 5-12-09 Its: Individual

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Mexia Housing, LLC

which is:
- ☒ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Mexia Gardens	Mexia	~~100~~ 100%	0

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 5-12-09 Its: ~~President~~ Member
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Richard L. Brown

which is:
- ☐ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☒ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Mexia Gardens	Mexia	0	45%

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 5-12-09 Its: Individual
Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Frank Pollicia

which is:
- ☐ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☒ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 609 W. 16th #140 City: Plano State: TX ZIP: 75075

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Mexia Gardens	Mexia	0	45%

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 12/14/09 Its: Individual

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Mexia Gardens

Applicant Name: Mexia Housing LLC

Name and role of Person or Entity Completing this Form (must match Part I):

Name: RLB Affordable Housing Inc

which is:
- ☐ the Applicant for a tax credit allocation.
- ☒ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 4901 Cole Ave City: Dallas State: TX ZIP: 75205

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Mexia Gardens	Mexia	.09	0

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 5-12-09 Its: President

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Item 9.

Volume 2 Tab 5 Photographs. "A ground level photograph was not provided".

Response: There are ground level photos in the appraisal, ESA and market study. We have attached some on the pages following.

DSC_0004.JPG, 3008 x 2000, 20090212121351, f11.0, 1/500s, flash Off, 24.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View northeast from the southwest corner of the property

DSC_0005.JPG, 3008 x 2000, 20090212121430, f11.0, 1/500s, flash Off, 24.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View north from E. Sumpter St.

DSC_0006.JPG, 3008 x 2000, 20090212 12:15:17, f/0.0, 1/400s, flash Off, 18.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View northwest from the southeast corner of the property

DSC_0007.JPG, 3008 x 2000, 20090212 12:16:02, f/0.0, 1/400s, flash Off, 18.0 mm

Subject - Northeast of E. Sumpter St. & N. Bailey St.
View west alolng E. Sumpter St. showing rear of shopping center
(Tractor Supply, Brookshire's and others)

Item 10.

Volume 3, Tab 1, Architectural Plans. Elevations do not state percentages of exterior siding on each building.

Response: Item changed to clarify percentage of Brick and Siding. Refer to Elevation attachments and drawings on the pages following.

Recd TDHCA 5/15/09

Mexia Gardens Apartments

Building Type I

05 Front Elevation Bldg. Type I
SCALE: 1/4" = 1'-0"
F:\JOBS\2008\080223\ACAD\BUILDING\BL-01

100% Masonry Products
50% Brick and 50% Hardi Siding

01 Side Elevation Bldg. Type I
SCALE: 1/4" = 1'-0"
F:\JOBS\2008\080223\ACAD\BUILDING\BL-01

0 6' 12' 24'
SCALE: 1/4" = 1'-0"

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Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Building Type II

05 Front Elevation Bldg. Type II
SCALE: 1/4" = 1'-0"
F:\JOBS\2008\080223\ACAD\BUILDING\BL-02

100% Masonry Products
50% Brick and 50% Hardi Siding

0 6' 12' 24'
SCALE: 1/4" = 1'-0"

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01 Side Elevation Bldg. Type II
SCALE: 1/4" = 1'-0"
F:\JOBS\2008\080223\ACAD\BUILDING\BL-02

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Building Type III

100% Masonry Products
50% Brick and 50% Hardi Siding

0 6' 12' 24'
SCALE: 1/4" = 1'-0"

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Item 11.

Volume 3, Tab 1, Architectural Plans. Site plan does not show building type for each unit.

Response: Site plan has been revised to show the building type for each unit. Attached on page following.

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

80 Units
One Story

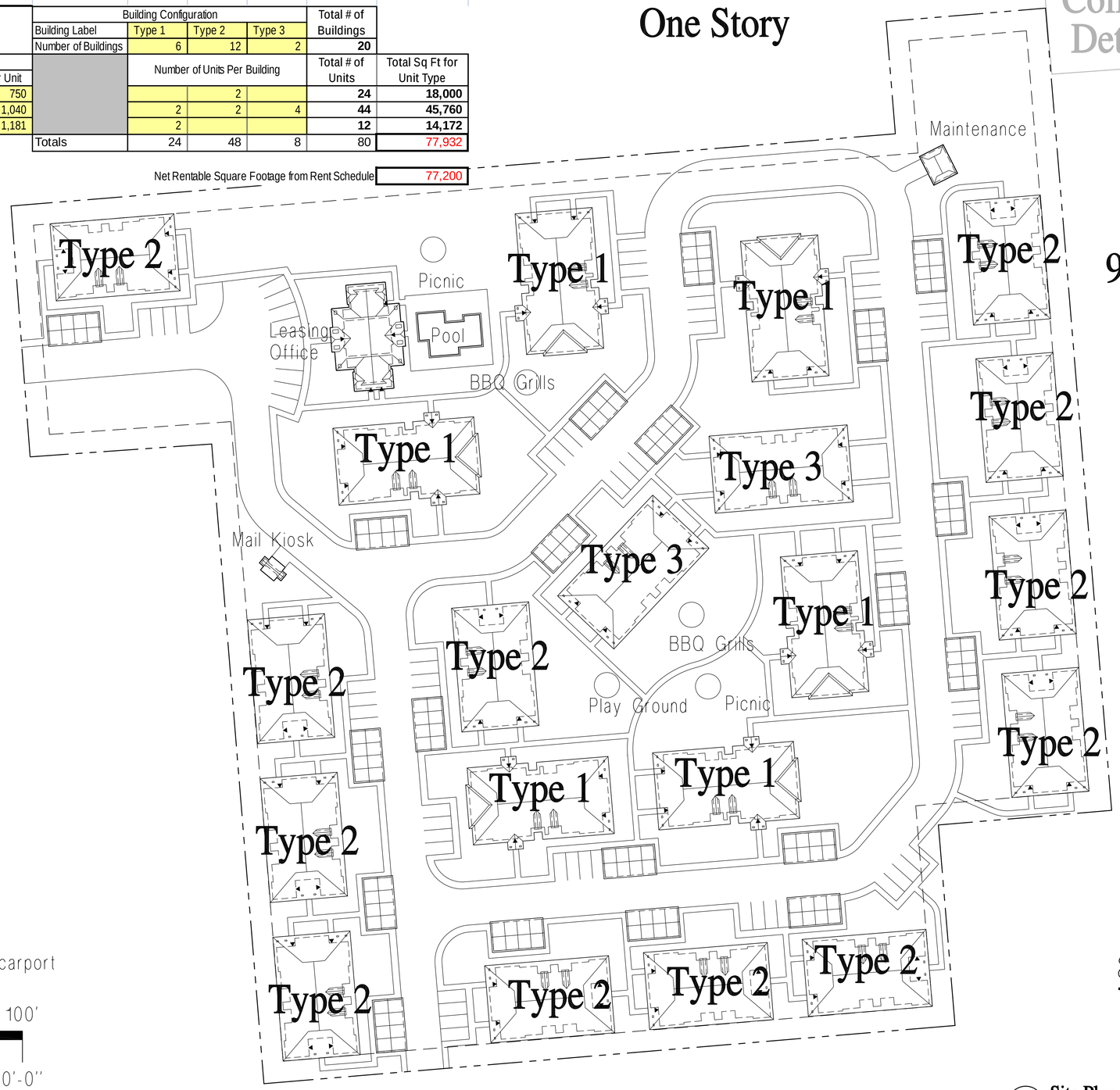
Collective
Detention

9.45 ACRES

Development Name:	Mexia Gardens Apartments				Mexia
	Building Configuration				Total # of Buildings
	Building Label	Type 1	Type 2	Type 3	
	Number of Buildings	6	12	2	**20**

Unit Type				Number of Units Per Building			Total # of Units	Total Sq Ft for Unit Type
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit					
A1	1	1	750		2		**24**	**18,000**
B2	2	2	1,040	2	2	4	**44**	**45,760**
C1	3	2	1,181	2			**12**	**14,172**
				Totals 24	48	8	80	77,932

Net Rentable Square Footage from Rent Schedule 77,200



Symbol = 4 bay carport

10' 50' 100'

SCALE: 1" = 40'-0"

01 Site Plan
SCALE: 1" = 40'-0"

F:\JOBS\2008\080223\ACAD\SITE\MAXIA-1

Mexia Gardens Apartments
Mexia, Texas

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Project No. 080223

Issue Drawing Log

These documents are the renderings of a professional service, the essence of which is the providing of advice, judgment, opinion or similar professional skill.
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Sheet Title: **Cover**

Drawing No. **A0.00**

Copyright Architettura Inc. 2009

Directory F:\Jobs\2008\080223\ACAD\ File A0-01dwg Date March 26, 2009 10:08 am SCALE 1" = 1'-0" By GDF Xref's ('07140' '2435TB' 'MAXIA-1')

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Item 12.

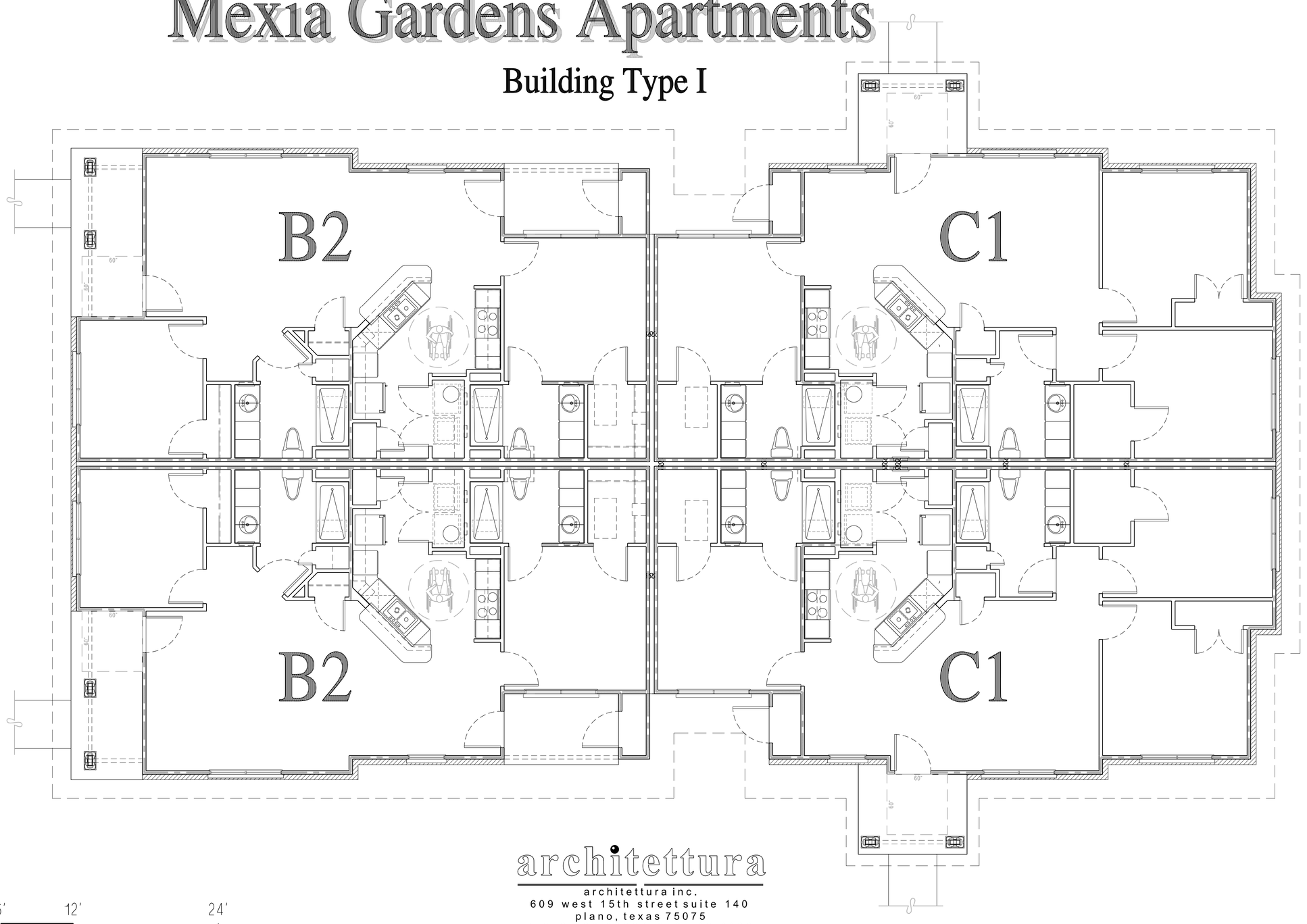
Volume 3, Tab 1, Architectural Plans. Unit labels on Type 1 building do not match Part F and C1 unit plan.

Response: Building Type 1 has been revised to change the listing of unit type C2 to reflect Type C1. Shown on page following.

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Building Type I



0 6' 12' 24'

SCALE: 1/4" = 1'-0"

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Item 13.

Volume 3, Tab 1, Architectural Plans. Unit plans do not show the outside dimensions of all unit types.

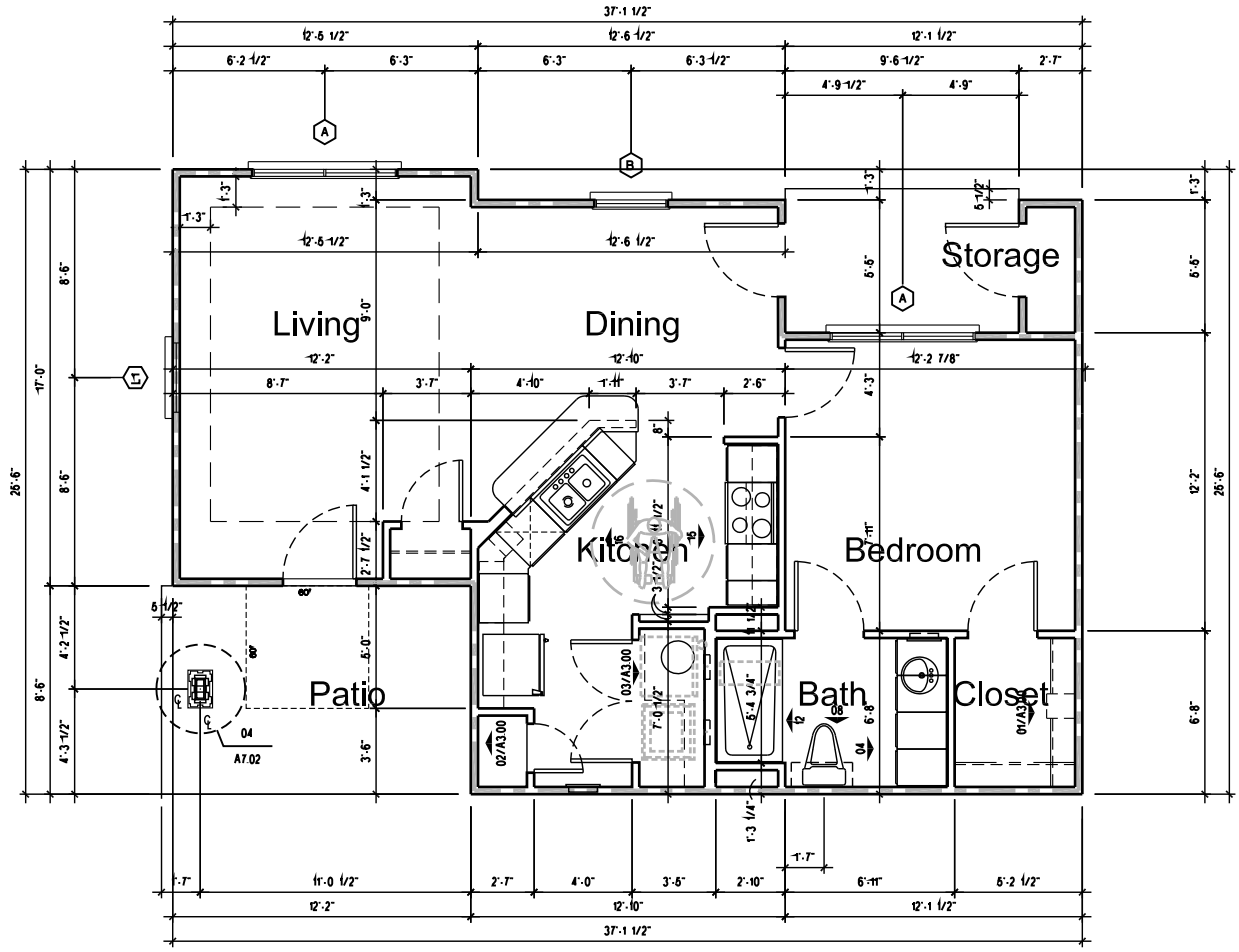
Response: Unit plans have been re-printed with dimension layer on. Shown on pages following.

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit A1

One Bedroom - One Bath
Net Area = 750
Gross Area = 916



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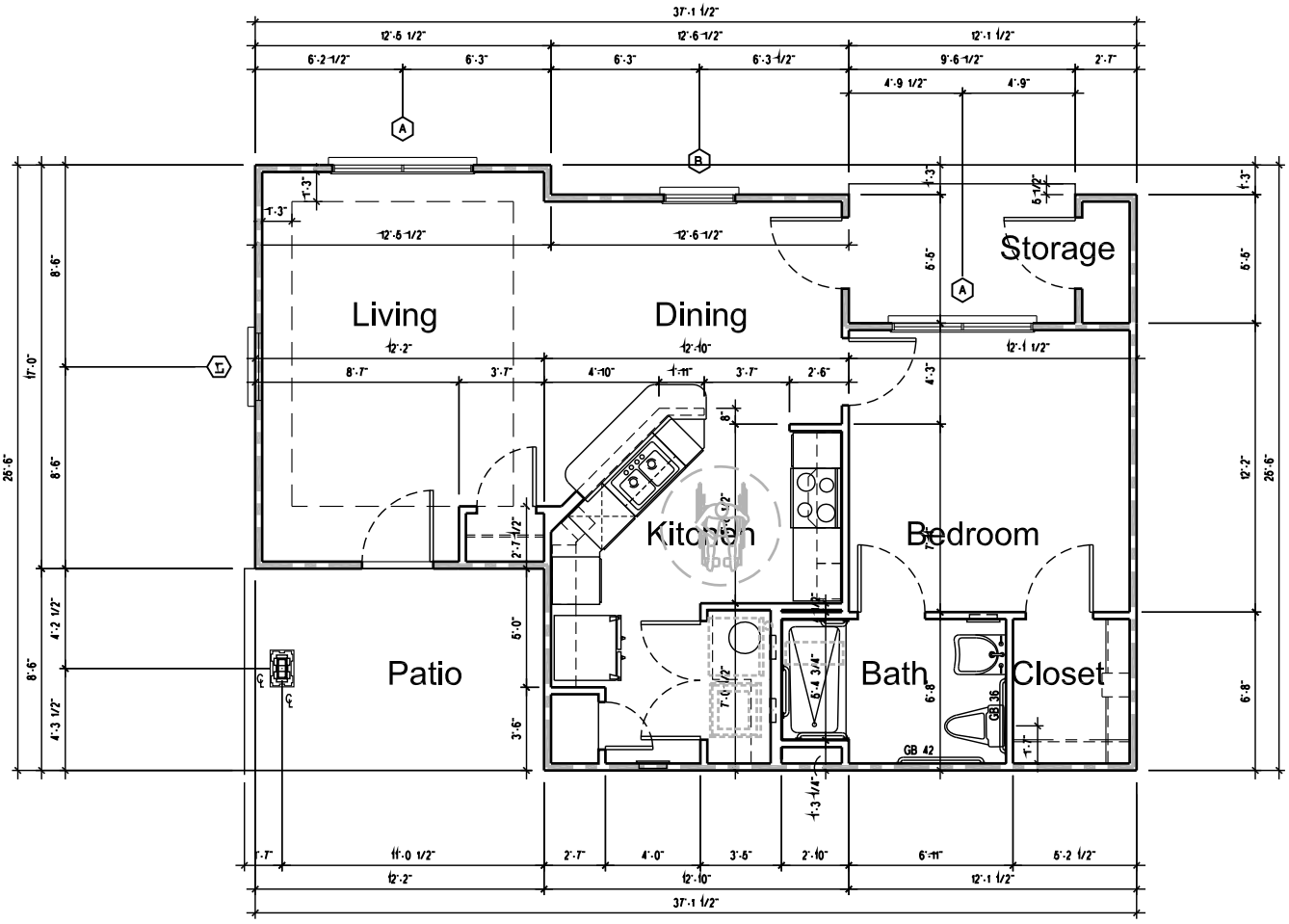
A1

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit A1-HC

One Bedroom - One Bath
Net Area = 750
Gross Area = 916



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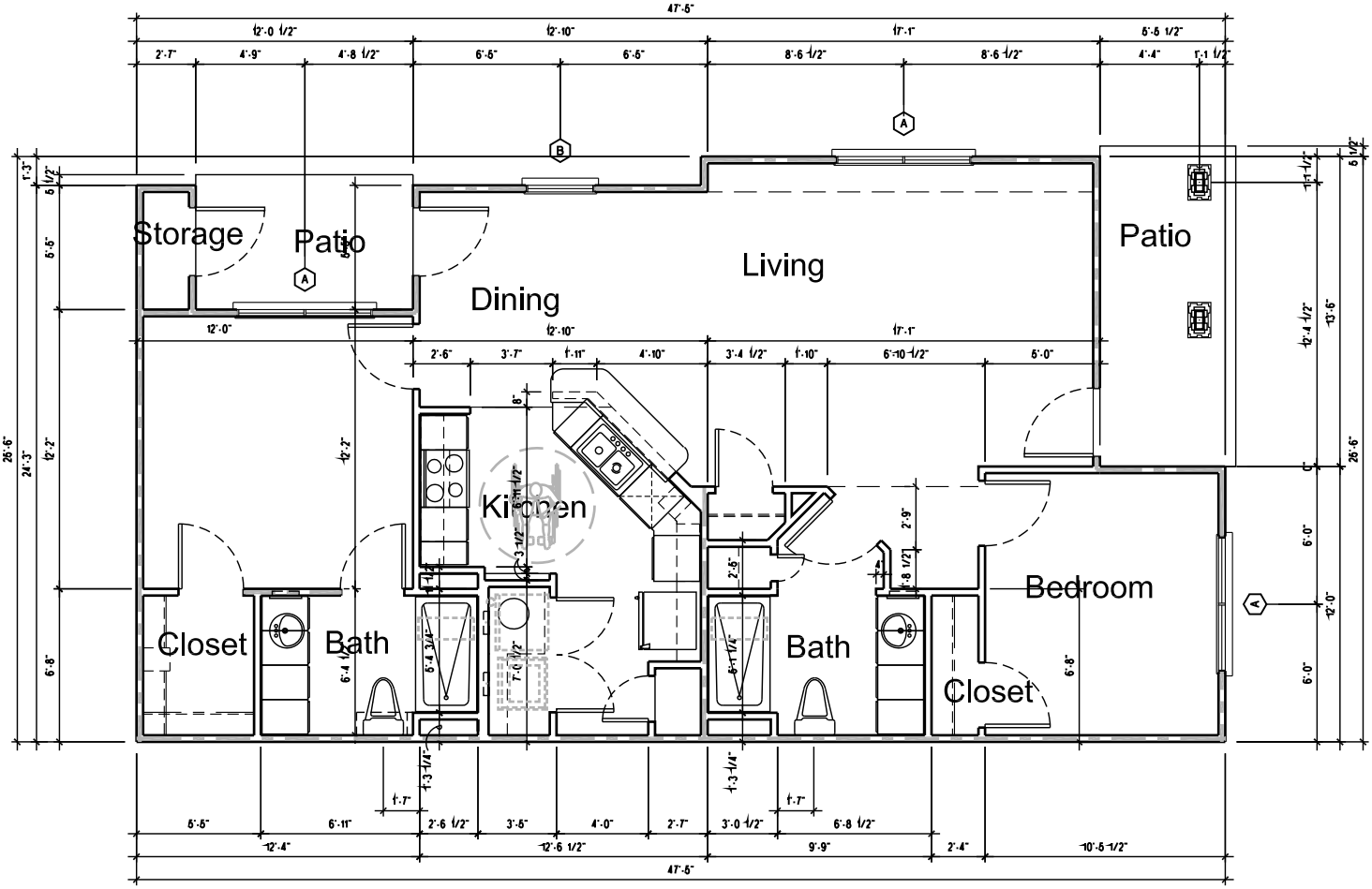
A1

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit B2

Two Bedroom - Two Bath
Net Area = 1040
Gross Area = 1178



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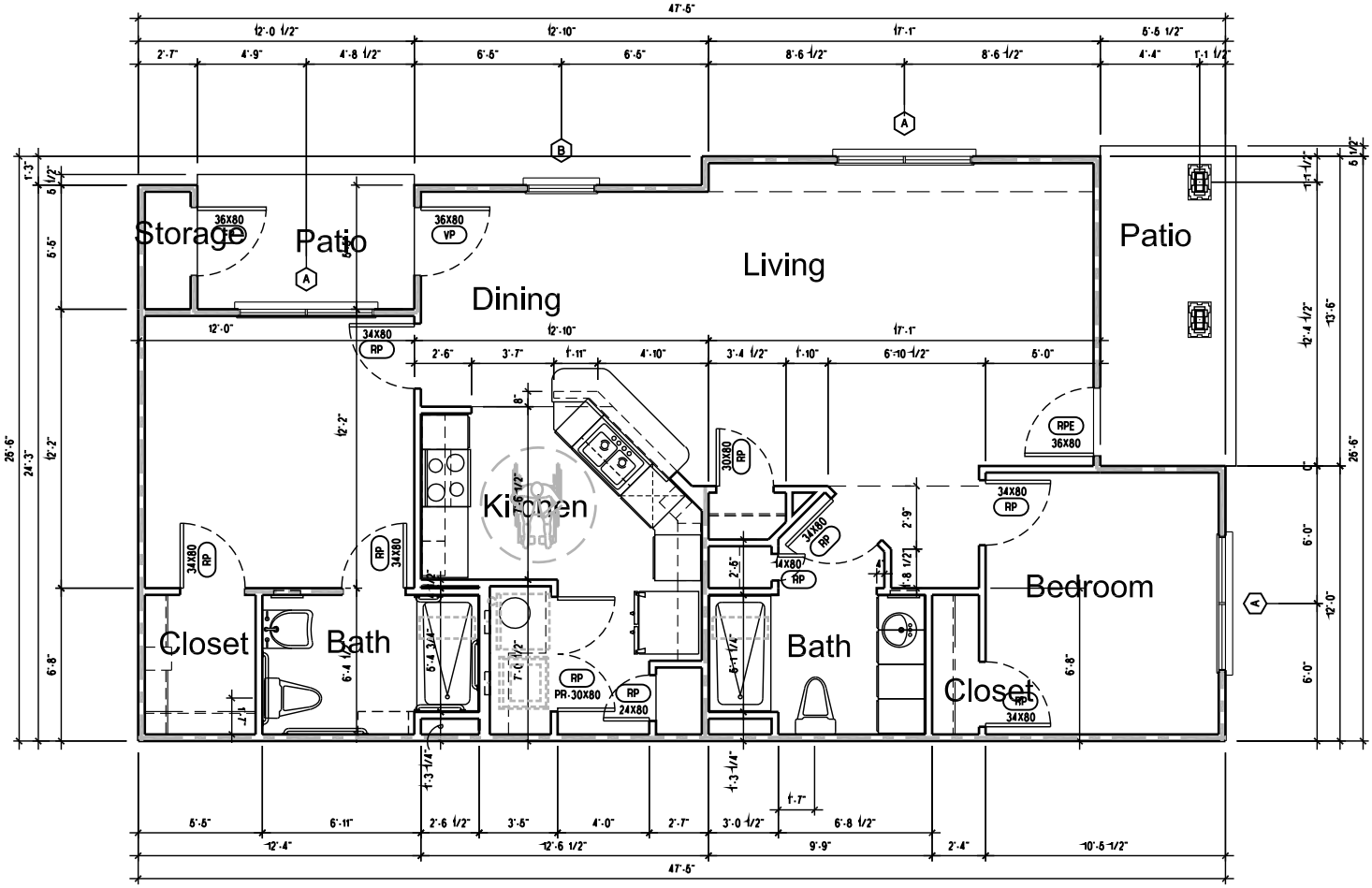
B2

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit B2-HC

Two Bedroom - Two Bath
Net Area = 1040
Gross Area = 1178



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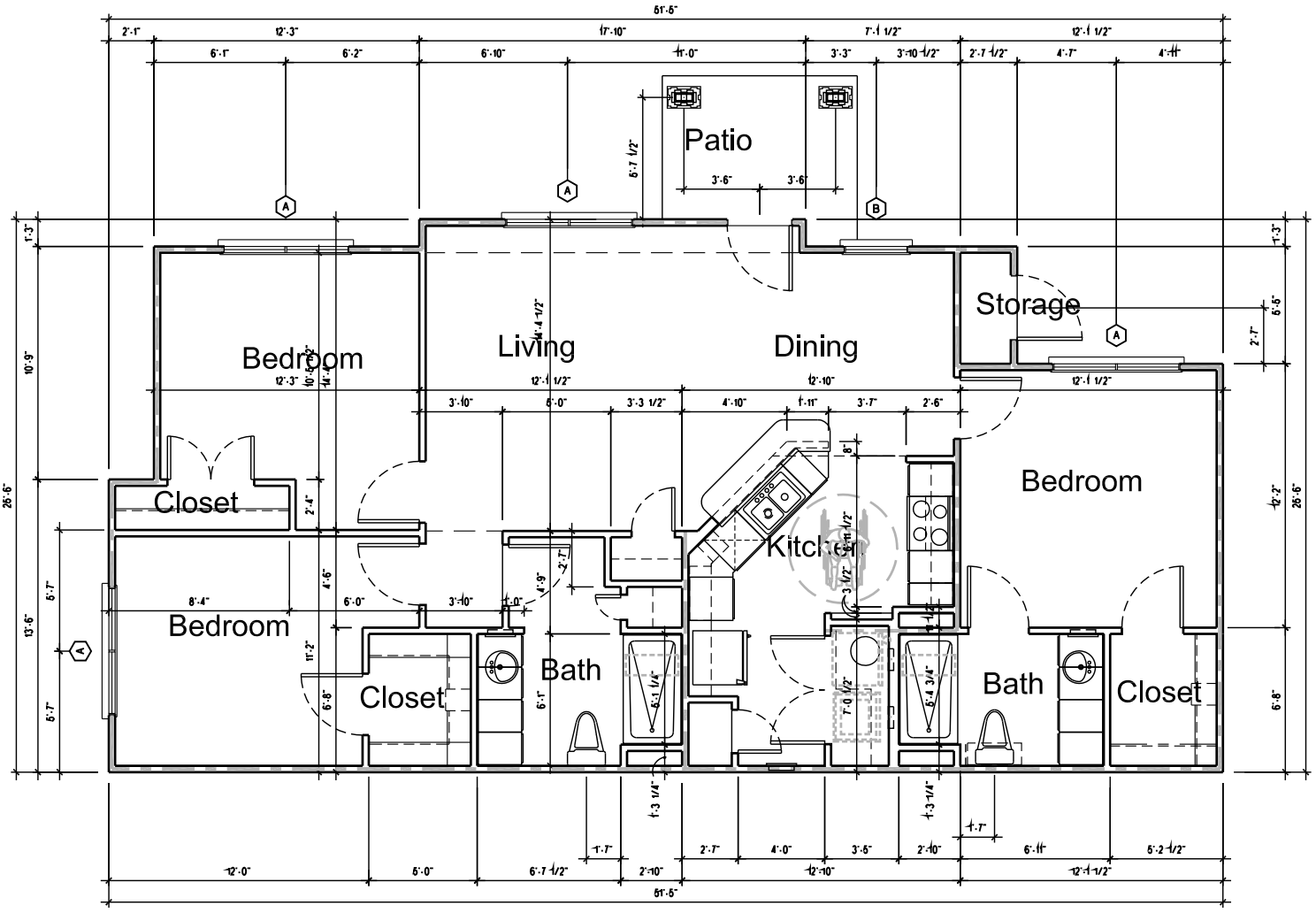
B2

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit C1

Three Bedroom - Two Bath
Net Area = 1181
Gross Area = 1295



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C1

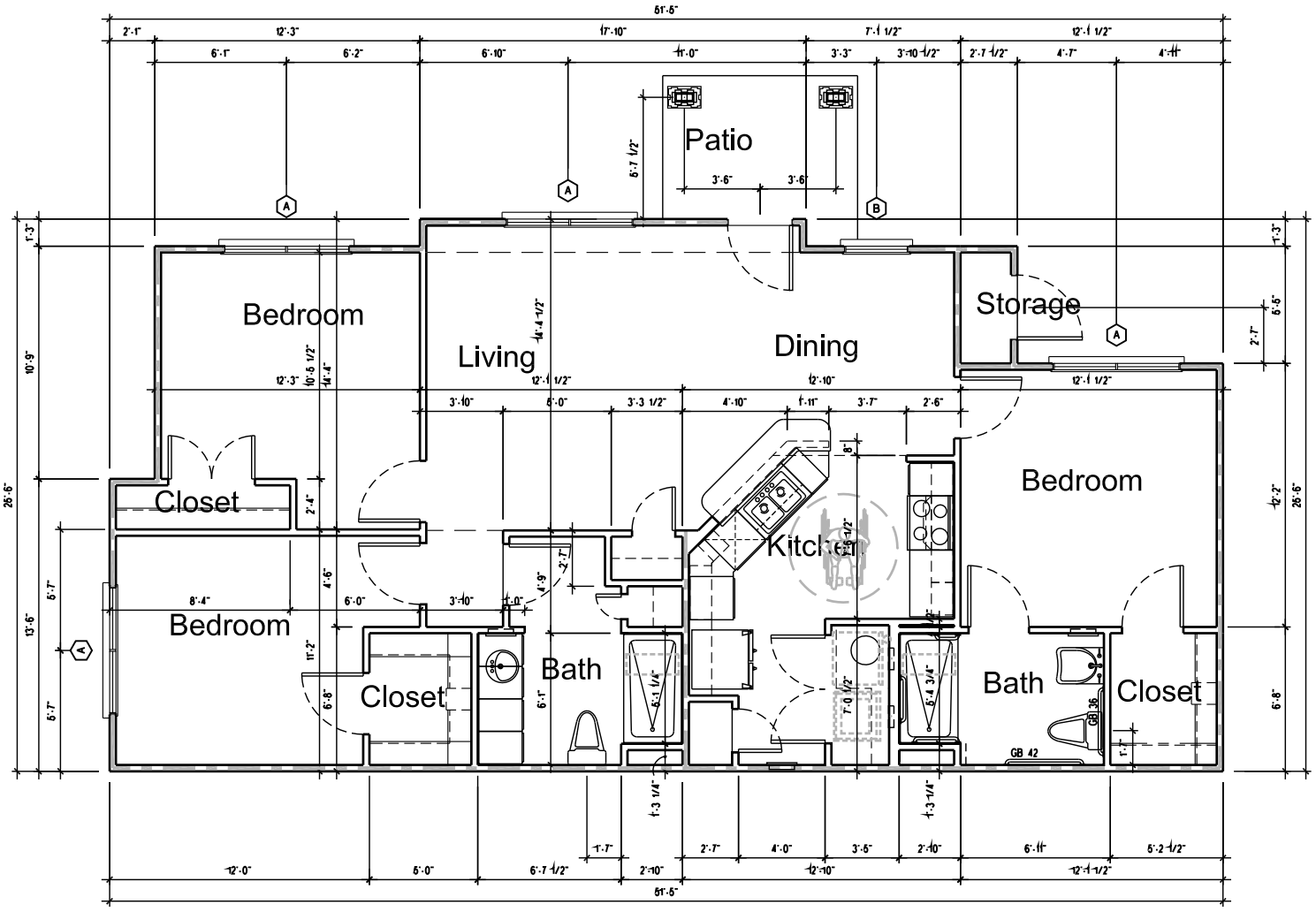
4 May 2001

Rec'd TDHCA 5/15/09

Mexia Gardens Apartments

Unit C1-HC

Three Bedroom - Two Bath
Net Area = 1181
Gross Area = 1295



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C1

Item 14.

Volume 3, Tab 1, Part B. Specifications and amenities form does not show units per acre, number of residential buildings, non-residential buildings and maximum number of floors.

Response:

Density is 8.465 – 80 units at 9.45 acres

Number of Residential Buildings is 20

Number of non residential buildings is 2 – Lease office and Maintenance building.

All building are one level.

Additionally the original form is attached following with this information added.

Volume 3, Tab 1
PART B. SPECIFICATIONS AND AMENITIES

SITE ATTRIBUTES

Total Acquisition Acreage: 23.197 Development Site Acreage: 9.45 # Units per Acre: 8.465

☒ Single Site ☐ Contiguous Multiple Sites (# Sites:) ☐ Scattered Sites (# Sites:)**

**** Note: If Scattered Site, submit evidence of scattered site pursuant to ASPM behind this tab.**

DEVELOPMENT ATTRIBUTES *Selections must be consistent with submitted architectural plans*

# of Residential Buildings: 20 Maximum # of Floors: one # of Non-Residential Buildings: 2

Configuration:
☐ Duplex ☒ Fourplex ☐ Single family construction
☐ Townhome ☐ >4 units per building ☐ SRO (per §42(i)(3)(B))
☐ Transitional (per §42(i)(3)(B))

☐ Fire Sprinkler in all residential areas # of Passenger Elevators: Wt Capacity

EXTERIOR *Selections must be consistent with submitted architectural plans*

Subfloor
☐ Wood
☒ Concrete Slab
☐ Other *(Describe)*

Walls
% Plywood/Hardboard
% Vinyl or Aluminum Siding
% Masonry Veneer
100 % Fiber Cement Siding
% Stucco
% Other *(Describe)*

Parking
80 #Shed or Flat Roof Carport Spaces
8 #Detached Garage Spaces
34 #Uncovered Spaces
#Parking Garage Spaces

Roofs
☐ Built-Up Tar and Gravel
☒ Comp. Shingle
☐ Comp. Roll
☐ Elastomeric
☐ Wood Shake
☐ Other *(Describe)*

INTERIOR *Selections must be consistent with submitted architectural plans*

Flooring
% Carpet
100 % Resilient Covering
% Ceramic Tile
% Light Concrete
% Other *(Describe)*

Air System
☐ Forced Air
☐ Furnace
☐ Hot Water
☒ Warm and Cooled Air
☐ Heat Pump, packaged
☐ Wall Units
☐ Other *(Describe)*

Walls
☒ Drywall
☐ Plaster
☒ 9 - Foot Ceilings

Other
☒ Washer and Dryers onsite (# 2 each)
☐ Fireplace included in all Units
☐ Fireplace onsite (#)
☐ Other *(Describe)*

Item 15.

Volume 3, Tab 2 Site Information: the form does not include the 11 digit census tract number.

Response:

The 11 digit census tract number is 48293970200

Additionally the original form is on the page following

Volume 3, Tab 2
SITE INFORMATION

1. ZONING & CENSUS TRACT DESIGNATION

The site zoned for the proposed use ☐ Yes ☒ No ☐ N/A
The current zoning designation is: agriculture
The site is in the process of being rezoned ☒ Yes ☐ No ☐ N/A
Proposed Activity: New Construction ☒ Rehabilitation/reconstruction ☐ Adaptive Reuse ☐
The present (and proposed) use of the property is non-conforming under existing zoning restrictions ☒ Yes ☐ No ☐ N/A
11 Digit Census Tract Number: 98293970200 *(Must submit proof of Census Tract location behind this tab)*

2. GEOGRAPHIC DESIGNATIONS

Flood Zone Designation(s):
Site is entirely outside a designated 100 yr. Flood Hazard Area or Flood Plain ☒ Yes ☐ No
Site is within Hazard Area but the development is designed as required by program rules ☐
Site is not in Hazard Area ☐

Special Districts. *Check each of the following that apply to the site:*

☐ Listed in National Register of Historic Places
☐ Listed in a Local Register of Historic Places
☐ A federally designation urban enterprise community
☐ An urban enhanced enterprise community
☐ In an economically distressed area[7] or colonia
☐ Within a Federal Historic District
☐ In a Municipal Historic District
☐ Qualified Census Tract (HTC)
☐ Difficult Development Area (HTC)
☐ Targeted Texas County
☐ Within a designated state or federal empowerment/enterprise zone. If so, what is the designation?
☒ Within a city-sponsored Tax Increment Financing Zone (TIF), Public Improvement District (PIDs), or other area or zone where a city or county has, through a local government initiative, specifically encouraged or channeled growth, neighborhood preservation or redevelopment. If so, what is the district designation?
Revitalization Area
☐ Within a non-impacted census block as defined per Young vs. Martinez. If so, what is the census block number?

3. CONTROL AND ACQUISITION INFORMATION

To the best of the Applicant's knowledge has this site been proposed for a previous TDHCA Application?
☐ Yes ☒ No If "Yes", what was the: Application Year: ____, TDHCA #: ____, and TDHCA program: ____

Site Control is a: ☐ Warranty Deed w/ settlement statement (unless identity of interest; Vol 3, Tab 6)
☐ Contract for Deed ☒ Purchase Option ☐ In Escrow
☐ Contract for Lease ☐ Option to Lease ☐ Letter of Intent

Expiration Date of:
Contract or Option: 12/15/09 Feasibility Contingency: / / Financing Contingency: / /
Acquisition Cost: $150000 Anticipated/Actual Closing Date: 9/15/09
Seller Name: Holloway Martin, et al Phone: (254) 562-6471
Address: 312 N. Sherman City: Mexia State: TX ZIP: 76667
Is the seller affiliated with the Applicant, principal, sponsor, or any development team member? ☐ Yes ☒ No
If "Yes", please explain:
Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? ☐ Yes ☒ No

Applicant or Applicant Representative Reminder:
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 **MUST** be identified behind this tab.

[7] As defined by the Texas Water Development Board.

Item 16.

Volume 3, Tab 2 Purchase Contract - escrow receipt was not provided.

Response: Escrow receipt is on page following.

Rec'd TDHCA 5/15/09

Escrow Receipt

1-873

File: 15230

Limestone County Title Company
118 South Ellis
P.O. Box 127
Groesbeck, Texas 76642

Date: 2/12/2009

$ ****$5,000.00

The Farmers State Bank
P.O. Box 499
Groesbeck, Texas 76642

Remitted By: Mexia Housing LLC or Assigns
4901 Cole Avenue
Dallas, TX 75205

Type of funds : Personal Check
Funds Bank Name : Inwood National Bank
Funds Bank ABA :
Funds Bank Account : XXXXXXXX
Funds Check Number : 2309
Prepared By : Patricia Mauldin

Item 17.

Volume 3, Tab 2 Title Commitment exhibit was missing.

Response: Attached on the pages following.

Rec'd TDHCA 5/15/09

Groesbeck Abstract & Title Co., Inc.

dba

LIMESTONE COUNTY TITLE COMPANY

"Where Service is Our Priority"

Serving Limestone County since 1887

118 South Ellis Street
P.O. Box 127
Groesbeck, Texas 76642

Telephone: 254-729-3806
Facsimile: 254-729-5655
E-Mail: service@limestonetitle.com

March 3, 2009

Mexia Housing LLC or Assigns
4901 Cole Avenue
Dallas, TX 75205

Re: GF# 15230

We would like to take this opportunity to thank you for choosing Limestone County Title Company to aid you in completing your purchase of the property described in the enclosed Title Commitment for Title Insurance. This Commitment is based on the results of our title research. On Schedule B of the Commitment, you will find a list of exceptions that will be part of the policy that will be issued as a result of this transaction. On Schedule C of the Commitment, you will find requirements, if any, that need to be addressed prior to closing.

If you are borrowing funds to complete this transaction, your lender will be forwarded a copy of this Commitment if we have been provided with your lender's contact information. You need to continue to follow your lender's requirements in bringing this transaction toward a closing. Once your lender's requirements have been satisfied, they will set a closing date in our office. If you have not provided us with you lender's contact information, please do so.

If you have any questions concerning this Commitment or any other matter regarding your file, feel free to contact our office. Thank you again for choosing Limestone County Title Company.

Sincerely,

R. Scott Wilson
Escrow Officer

Form: Commitment for Title Insurance

GF Number:15230
Form Prescribed by Texas Department of Insurance (Revised 4/4/02)

SCHEDULE A

GF No. or File No.: 15230 Effective Date of Commitment: February 28, 2009 at 8:00 a.m.

Issued: March 4, 2009

1. The policy or policies to be issued are:

a. OWNER POLICY OF TITLE INSURANCE (Form T-1)
(Not applicable for improved one-to-four family residential real estate)
Policy Amount: $150,000.00
PROPOSED INSURED: Mexia Housing LLC or Assigns

b. TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE
--ONE-TO-FOUR FAMILY RESIDENCES (Form T-1 R)
Policy Amount:
PROPOSED INSURED:

c. MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:

d. TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R)
Policy Amount:
PROPOSED INSURED:
Proposed Borrower:

e. MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
Binder Amount:
PROPOSED INSURED:
Proposed Borrower:

f. OTHER
Policy Amount:
PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:

Holloway Martin, Brian Haenisch and the Williams E. and Velma A. Chrisner Trust

4. Legal description of land:

BEING all that certain tract of land situated in the P. Varela Survey, A-30, Limestone County, Texas and being all of The Green Meadows Addition as recorded in Plat No. 574, Plat Records, Limestone County, Texas, SAVE & EXCEPT Lots 1 thru 5, Block A, Lots 21 thru 22, Block B, Lots 9 thru 16, Block D, Lots 1 thru 9, Block E and Lots 1 thru 2, Block G and being more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes.

Form: Commitment for Title Insurance Form Prescribed by Texas Department of Insurance (Revised 4/4/02)
Attached to and made a part of First American Title Insurance Company Commitment for Title Insurance

GF No. 15230

SCHEDULE B
EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):

   Restrictions on Lots in Block E, Green Meadows Addition, as referenced in Vol. 927, page 394, Real Property Records, Limestone County, Texas (said restrictions appear to be in existence but no recording information found)

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only.)

4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
   (Applies to the Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2009 and subsequent years, and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2009 and subsequent years.")

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee (T-2) Policy only.)

Rec'd TDHCA 5/15/09

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short form Residential Mortgagee Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy of Title Insurance (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy of Title Insurance. (T-2R)

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

a. Rights of Parties in Possession (OWNER'S POLICY ONLY)
b. Mineral reservation to be set out in deed for this transaction pursuant to agreement of the parties.

c. All oil, gas and minerals and other interests not constituting part of the surface estate of the property, and all rights, privileges and immunities relating thereto.
d. Any visible and apparent easements of rights-of-way over and across the subject property, the existence of which does not appear of record.

e. Any portion of subject property lying within the boundaries of a public or private roadway whether dedicated or not.

f. Any portion of undeveloped but dedicated streets as shown on the survey Plat prepared by James C. Williford, RPLS 5973, and dated 3-2-09.

FORM: Commitment for Title Insurance — From Prescribed by Texas Department of Insurance (Revised 1/1/93)

GF No. 15230

SCHEDULE C

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:

   - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
   - all standby fees, taxes, assessments and charges against the property have been paid,
   - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
   - there is legal right of access to and from the land,
   - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. Note: Procedural Rule P-27 as provided for in Article (9.39 A of the Texas Insurance Code requires that "Good Funds" be received and deposited before a Title Agent may disburse from its Trust Fund Account.

6. We will require a Municipal Utility District Notice to be executed and filed of record in Limestone County, Texas.

7. We will require the joinder of seller's spouse, if any, in the execution of the Deed.

8. We require the review of the William E. and Velma A. Chrisner Trust to determine proper authority and signatories for sale.

FORM: Commitment for Title Insurance — Form Prescribed by Texas Department of Insurance (10/31/92)

GF Number: 15230

SCHEDULE D

The information contained in this Schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this Commitment.

As to First American Title Insurance Company, a California corporation, the Underwriter herein, the following disclosures are made:

A-1. Shareholders owning, controlling or holding, either personally or beneficially, 10% or more of the shares of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows:

A-2. The members of the Board of Directors of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows: George L. Argyros, Gary J. Beban, Philip B. Branson, J. David Chatham, William G. Davis, James L. Doti, Lewis W. Douglas, Jr., Paul B. Fay, Jr., Donald P. Kennedy, Parker S. Kennedy, Gary L. Kermott, Thomas A. Klemens, John W. Long, Herbert B. Tasker, Frank E. O'Bryan, James M. Orphanides, Roslyn B. Payne, D. Van Skilling, and Virginia M. Ueberroth

A-3. The four designated officers of First American Title Insurance Company as of the last day of the year preceding the date hereinabove set forth are as follows: Chairman of the Board: Parker S. Kennedy; Vice Chairman of the Board: Donald P. Kennedy; President: Gary Lewis Kermott; Vice President: Thomas A. Klemens; Vice President, Secretary, Corporate Counsel: Mark R. Arnesen; Vice President, General Counsel: Timothy P. Sullivan; Vice President, Chief Financial Officer: Max O. Valdes; Regional Vice President: Tom E. Blackwell

As to Limestone County Title Company (Title Insurance Agent), the following disclosures are made:

B-1. If Agent is a corporation, the shareholders owning or controlling, directly or indirectly 1% or more of the shares of Agent as of the last day of the year preceding the date hereinabove set forth are as follows (or owning or controlling 10% or more of an entity that owns 1% or more of the Agent): **Jackson Bailey Mauldin, Jr., Patricia Mauldin, Jeffrey Michael Melasky, Annie Mauldin Melasky, Richard Scott Wilson and Brandye Mauldin Wilson**

B-2. Individuals, firms, partnerships, associations, corporations, trusts or other entities owning 10% or more of those entities referred to in item no. B-1 hereinabove as of the last day of the year preceding the date hereinabove set forth are as follows:

B-3. If Undersigned Agent is a corporation, the following is a list of the members of the Board of Directors, as of the last day of the year preceding the date hereinabove set forth. **Jackson Bailey Mauldin, Jr., Patricia Mauldin, Jeffrey Michael Melasky, Annie Mauldin Melasky, Richard Scott Wilson and Brandye Mauldin Wilson**

B-4. If the Agent is a corporation, the names of any directors, president, executive or senior vice president, secretary and treasurer if any of the Title Insurance Agent are as follows: **Jackson Bailey Mauldin, Jr., President; Jeffrey Michael Melasky, Vice-President and Richard Scott Wilson, Secretary**

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving any sum from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated* title premium is:

Owner Policy	$1,110.00
Mortgagee Policy	
Endorsement Charges	
Other	
Total	**$1110.00**

Of this total amount $_____ or 15 % (complete one only) will be paid to First American Title Insurance Company; $_____ or ____% (complete one only) will be retained by Title Insurance Agent; and any remainder of the estimated premium will be paid to other parties as follows:

Amount		Paid to	Services
$_____ or	% (complete only one)	_____	_____
$_____ or	% (complete only one)	_____	_____
$_____ or	% (complete only one)	_____	_____

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the State Board of Insurance.

Rec'd TDHCA 5/15/09

File No. 15230

First American Title Insurance Company

Privacy Policy Notice

PURPOSE OF THIS NOTICE

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of **First American Title Insurance Company.**

We may collect nonpublic personal information about you from the following sources:

- Information we receive from you, such as on applications or other forms.
- Information about your transactions we secure from our files, or from our affiliates or others.
- Information we receive from a consumer reporting agency.
- Information that we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

- We also may disclose this information about our customers or former customers to nonaffiliated companies that perform services on our behalf.

WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information. Some states give you the right to access and correct nonpublice person information. You may contact us in writing at our Home Office, if you state law gives you this right.

Rec'd TDHCA 5/15/09

GF No. 15230

DELETION OF ARBITRATION PROVISION
(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is $1,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The Arbitration provision in the Policy is as follows:

> "Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the Insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. 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, and service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, unless the insured is an individual person (as distinguished from a Corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this Policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the Insured, the rules in effect at the Date of Policy shall be binding upon the parties. The award may include attorney's fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.
>
> The law of the situs of the land shall apply to arbitration under the Title Insurance Arbitration Rules.
>
> A copy of the Rules may be obtained from the Company upon request."

I request deletion of the Arbitration provision.

SIGNATURE: _____ DATE: _____

Item 18.

Volume 3, Tab 2 Zoning - letter submitted does not meet QAP & ASPM requirements for letter for jurisdiction without zoning.

Response: A revised letter from the city is attached on the page following.

Rec'd TDHCA 5/15/09

The City of Mexia

P. O. Box 207
101 S. McKinney
Mexia, Texas 76667

City Manager

Phone
(254) 562-4110
FAX (254) 562-4117

May 13, 2009

Multifamily Division
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX 78711

Re: Zoning at Site for Mexia Gardens Apartments -TDHCA File 09107

Sir or Ms,

The City of Mexia has jurisdiction over zoning for the site of the proposed project however the City of Mexia does not have a zoning ordinance at this time. Additionally the City of Mexia does not have a local consolidated plan, comprehensive plan or local planning document that addresses affordable housing. Consequently the proposed apartments are not in violation of any ordinance or plan.

The City of Mexia is supportive of the proposed Mexia Gardens apartments and the city council passed a resolution supporting this project earlier this year. The city feels there is a definite need for affordable housing in our city and stated this in the council resolution.

Respectfully,

Carolyn Martin
City Manager

Item 19.

Volume 3, Tab 3 Certification of Notifications - Section D is not completed.

Response: A completed Section D is attached on the page following.

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 Pre-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.

☒ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on __/__/__ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☐ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: Richard L. Brown 5/13/09 Its: Member
Signature of Applicant/Owner *Date*

STATE OF: Texas
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Richard L. Brown, whose 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 official seal this 13 day of May, 2009. (seal)

A O'Callaghan 7/2/12
Notary Public Signature *Commission Expires*

AIMEE ELIZABETH OCALLAGHAN
Notary Public, State of Texas
My Commission Expires
July 02, 2012

Item 20.

Volume 3, Tab 3 Part B, Signage.

The sign was posted as of the proper date with the stipulated information regarding the number of units, project name, site size, contact information for the developer and TDHCA, etc. However the public hearing information was not noted on the original sign since there were no local public hearings scheduled. On realizing the mistake a replacement sign was made with the TDHCA public hearing information and that sign was posted on the site. Photos of that replacement sign are located on the following page.

NOTICE TO PUBLIC
PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY
Mexia Housing LLC has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential rental community, Mexia Gardens, to be located at the NEC of N. Bailey and E. Sumpter Street, Mexia, Texas, 76667. This development community will be comprised of 80 units on 9.43 acres plus a clubhouse/office and pool.
There will be a public hearing to receive public comment on the proposed development.
Date: Tuesday April 7 Time: 6:00 pm
Location: J. Erik Johnson Central Library Auditorium, 1515 Young Street, Dallas, TX 75201
For information on the proposed application including how to qualify or leasing information please contact Richard Brown with Mexia Housing LLC at 4901 Cole Ave., Dallas, TX 75205 or by telephone at 214-521-0300 ext 7.
To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 E. 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view the website at www.tdhca.state.tx.us.

Item 21.

Volume 3, Tab 3 Sign Photo does not include the surrounding site.

Response: On the following page are photos of the sign on the site with the surrounding area clearly visible.

NOTICE TO PUBLIC
PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY
Mexia Housing LLC has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the development of a proposed multifamily residential rental community, Mexia Gardens, to be located at the NEC of N. Bailey and E. Sumpter Street, Mexia, Texas, 76667. This development community will be comprised of 80 units on 9.43 acres plus a clubhouse/office/laundry pool.
There will be a public hearing to receive public comment on the proposed development.
Date: Tuesday April 7 Time: 6:00 pm
Location: J. Erik Jonsson Central Library Auditorium, 1515 Young Street, Dallas, TX 75201
For information on the proposed application including how to qualify or leasing information please contact Richard Brown with Mexia Housing LLC at 4901 Cole Ave., Dallas, TX 75205 or by telephone at 214-521-0300 ext 7.
To submit comment on this application or to inquire about the Housing Programs in general, contact tga Texas Department of Housing and Community Affairs, 221 E. 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3940 or view the website at www.tdhca.state.tx.us.

Item 22.

Volume 3, Tab 5 Financials. Authorization to release financial information for Mexia Housing LLC and for RLB Affordable Housing, Inc.

Response: Release forms for both entities are on the pages following

Item 23.

Volume 3, Tab 5 Financials - Submit financial information for Mexia Housing LLC and for RLB Affordable Housing, Inc.

Response: Both entities have no accounts or assets or liabilities. Mexia Housing LLC is newly formed and RLB Affordable Housing Inc is a sub-chapter S corporation with no accounts or assets or liabilities.

09107

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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Juan S. Muñoz, Ph.D.

May 20, 2009

Mr. Richard Brown
Mexia Housing, LLC
4901 Coles Avenue
Dallas, Texas 75205
Telephone: (214) 521-0387
Facsimile: (214) 521-8722

Re: Application #09107, Mexia Gardens

Dear Mr. Brown,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on May 15, 2009, regarding your request that your application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- Volume 1, Tab 5 Part D, Certification of Principal: The form was not submitted for Harry Hunsicker
- Volume 1, Tab 7 Part B: Only the first page of each originally omitted form was submitted
- Volume 3, Tab 3 Public Notification Sign: The evidence submitted indicates that evem though the public hearing information was published on the Department's website on January 27, 2009, the public hearing information was not was included on the sign prior to the date of Application submission, as required by §49.9(h)(8)(B) of the QAP.

My review of the Application confirms staff's determination that this Application has violated §49.5(a)(10) of the 2009 QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

09107

Board Appeal Documents

The City of Mexia

P. O. Box 207
101 S. McKinney
Mexia, Texas 76667

City Manager

Phone
(254) 562-4110
FAX (254) 562-4117

June 16, 2009

To: Governing Board
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701-2410

Re: Proposed Apartments, TDHCA File # 09107
80 Units, Mexia, Texas

Dear Member of the Board,

We understand that the sign originally posted at the site for this project did not have a required notice of a public meeting to be held in Dallas. The replacement sign is satisfactory but was posted too late to satisfy the 30 day notice rule.

A public hearing for this project was held in the City of Mexia at which time the city council unanimously passed a resolution of support. The council members were reflecting the will of their constituents, the citizens of Mexia, who are also in support of this project. A news article was published in the local paper and the location is on the street that leads to the elementary, junior high and high school so that every person in town with a child passes the location many times a week. For all practical purposes virtually everyone in town is aware of this project and we know of no opposition. The entire community is anxious to get this much needed new multi-family housing, something Mexia has not had in almost thirty years.

We further believe that anyone who might have gone to the Dallas meeting would have gone to voice their support. We respectfully request that you approve the appeal and allow our city to have this new housing.

Sincerely,

Kelvin Beach

Glenn McGuire

"a good place to live, no matter how you say it"
Since April 7, 1873

Rec'd TDHCA 5/15/09

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

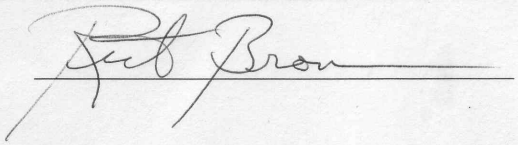
This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Mexia Gardens
Development Address:	NEC N. Bailey and E. Sumpter
Signer's Name	Richard L. Brown
Signer's Title:	Member, Mexia Housing LLC
Date:	5/11/2009

Signed: 

09128

Willow Meadow Place

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Willow Meadow Place.

Background and Recommendations

Willow Meadow Place - 09128

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), an Application is ineligible if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant."

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a "thorough review cannot reasonably be performed".

The Applicant's appeal of the termination included a submission of many but not all of the deficient items. Staff's review of the appeal and the subsequent submission identified the following items to remain deficient:

- As Unit Floor Plans, the Applicant submitted what appears to be a copy of the unit layouts from a rental brochure. These do not meet the requirements of the QAP as they do not include legible dimensions and a scale. Further, the depictions do not include the A3, 633 square foot Units and the B1 804 square foot Units are shown as 2 bedroom, 1 ½ bathroom Units when they have just one bathroom. Finally, the

depictions for the B3 1,024 square foot Unit and the C1 1,164 square foot are incomplete.

- The Applicant did not submit a letter of zoning from the local political subdivision stating the zoning status of the Development.
- The Applicant did not submit a certificate of name reservation for the General Partner, WM Apartment Genpar, LLC.
- The Applicant did not submit a financial statement or a statement of no assets for the General Partner, WM Apartment Genpar, LLC.
- The Applicant did not submit an executed settlement statement or the seller's most recent audited financials.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	WM Apartments, Ltd, a to-be-formed Texas limited partnership
Site Location:	10630 Beechnut
City/County:	Houston/Harris
Regional Allocation Category:	Urban
Population Served:	General
Region:	6
Set Aside:	None
Type of Development:	Rehabilitation
Units:	328
Credits Requested:	$1,884,462

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. Acceptance of an application with significant missing or inconsistent information provides an applicant with the competitive advantage of adjusting deliverables after knowing what the competition has submitted. Staff believes that in this instance the inconsistencies and missing information were more than mere oversight. The applicant's inability to cure the matters in the appeal response clearly indicates that the omissions were not accidental or oversight, and provides evidence that the application was incomplete when it was submitted.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09128

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
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Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 8, 2009

Mr. M. Dale Dodson
WM Apartments, Ltd.
5055 W. Park Blvd, Ste 700
Plano, Texas 75093

Re: Application #09128, Willow Meadow Place Apartments

Dear Mr. Dodson,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold requirements, the Department identified the following omissions, clarifications, or corrections:

1. Volume 1 Tab 2, Part B, Rent Schedule – The source of non-rental income is not defined.
2. Volume 1, Tab 2, Part C, Utility Allowances – A utility allowance schedule from the Houston Housing Authority that supports the utility allowances used was not provided.
3. Volume 1, Tab 4, Part A, Sources and Uses – The form is not consistent with Part B *Financing Participants* and commitment letters.
4. Volume 1, Tab 4, Part A, Financing Narrative – The narrative does not address all sources and amounts of funding being used for the development and each use being considered.
5. Volume 1, Tab 5, Part A2, Unique Identifier – The form was not provided.
6. Volume 1, Tab 5, Part B, Organizations with an Ownership Interest – The form does not include all entities from the owner and developer charts.
7. Volume 1, Tab 5, Part C, List of Principals – The form does not include all entities from the owner and developer charts.
8. Volume 1, Tab 5, Part D, Certification of Principal – The form was not provided for each entity that is part of the owner and developer structures signed by their authorized representative.
9. Volume 1, Tab 7, Part E, Part I, Credit Limit – The form includes entities that are not part of the Applicant and Developer.
10. Volume 1, Tab 7, Part E, Part II, Credit Limit – The form was not provided for each entity and person that is part of the Applicant and the Developer.
11. Volume 2, Tab 2, Existing Residential Development – The form is neither executed nor notarized.
12. Volume 3, Tab 1, Part C, Green Building – Items "c" and "k" selected on this form were selected for both Threshold and Selection points.
13. Volume 3, Tab 1, Architectural Drawings – The site plan does not include the building and unit mix consistent with Volume 1, Tab 2, Part F.

14. Volume 3, Tab 1, Unit Floor Plans – Architectural drawings were not submitted.
15. Volume 3, Tab 2, Site Information – Evidence of sellers of the subject property since December 8, 2005 was not submitted.
16. Volume 3, Tab 2, Zoning – A letter from the CEO or other appropriate official stating the zoning status of the development was not provided.
17. Volume 3, Tab 2, Title Policy or Commitment – The title policy or commitment for the development was not provided.
18. Volume 3, Tab 4, Organizational Documents – The certificate of name reservation for WM Apartment Genpar, LLC was not provided.
19. Volume 3, Tab 5, Authorization to Release Credit Information – The forms were not provided.
20. Volume 3, Tab 5, Financials – Financial statements or confirmation of no assets for the formed members of the Applicant and the Developer were not provided.
21. Volume 3, Tab 6, Identity of Interest – An executed settlement statement for the development site showing the original acquisition cost, or the seller's most recent audited financial statement with the original itemized asset value of the property was not provided.

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP") states that an application is ineligible for an allocation of Housing Tax Credits if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibly will be included in the termination letter to the Applicant."

The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 QAP, the Department has determined the application to be ineligible for consideration because a "thorough review can not reasonably be performed". Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

09128

Appeal Documents

TDHCA RCVD 5/14/09 15:37

DALCOR

May 14, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78711-3941

Re: Application #09128, Willow Meadow Place Apartments

Dear Ms. Meyer:

I am able to explain the deficiency notice received from Ms. Cline related to Volume 4; those were mistakes or accidental omissions on my part. I am not however able to explain the items listed in your letter of May 8, 2009. There were a few items where I made a typographical error or missed an item, but the overwhelming majority of the deficiency items listed are in my printed copy of the application, but did not translate to the electronic version. There may have been some malfunction in the software I used to create the .PDF files or in my own computer

Please accept my apologies for the inconvenience this caused you and your staff and please allow the above application to remain active.

Attached to this email are all the missing documents as well as some other supplemental information that I found that may not have made it as well.

Thank you for your consideration.

Sincerely,

Randy Plitt
Executive Vice President

5055 W. Park Boulevard, Suite 700 • Plano, Texas 75093 • 972-769-2002 • FAX 972-769-2004

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 3, Activity Overview

- **Supplemental Schedule for Proposed Capital Improvements [page missing]**

Willow Meadow Place Apartments

Proposed Capital Expenditures

TDHCA BCVD 5/14/09 15:37

76650 Beechnut

Tot. units 328

20 Buildings

SW= Site Work

DC= Direct Construction

TDHCA Category		Quantity	Price	Estimate		Per Unit
SW-Paving	Parking lot			$187,200		$571
	Total Paving				**$187,200**	
SW-Utilities	Sewers			$197,600		$602
	Total Utilities				**$197,600**	
SW-signs	Site signage			$36,400		$111
	Total Signage				**$36,400**	
SW-Landscape	Landscape upgrade			$36,400		$111
	Total Landscape				**$36,400**	
SW-Pool	Replace pool enclosure			$18,720		$57
SW-Pool	Swimming pool, resurface			$20,800		$63
SW-Pool	Swimming pool, upgrade (tile, coping)			$62,400		$190
SW-Pool	Pool furniture			$15,600		$48
	Total Pool				**$117,520**	
SW-Athletic courts/playgrounds	Playground			$26,000		$79
SW-Athletic courts/playgrounds	Picnic/BBQ area			$8,320		$25
	Total Atheletic Courts/Playgrounds				**$34,320**	
SW-Fencing	Patio fences			$83,200		$254
SW-Fencing	Perimeter Fencing			$156,000		$476
SW-Fencing	Limited Access Gates			$46,800		$143
SW-Other	Dumpster enclosures			$62,400		$190
	Total Fencing				**$348,400**	
DC-Thermal & moisture protection	Guttering			$130,000		$396
DC-Thermal & moisture protection	Siding replacement (Hardie)			$270,400		$824
DC-Thermal & moisture protection	Trim (Hardie)			$62,400		$190
	Total Thermal & Moisture Protection				**$462,800**	
DC-Roof Covering	Roof			$299,520		$913
	Total Roof				**$299,520**	
DC-Doors/windows	Windows			$624,000		$1,902
DC-Doors/windows	Exterior doors			$135,200		$412
	Total Doors/Windows				**$759,200**	
DC-Finishes	Painting - Exterior			$104,000		$317
	Interior painting:					
DC-Finishes	Sheetrock repairs	328		$68,224		$208
DC-Finishes	Two tone paint	544		$282,880		$862
DC-Finishes	Baseboard	544		$254,592		$776
					$709,696	
DC-Specialities	Balconies and Landings			$83,200		$254
DC-Specialities	Stair structures			$83,200		$254
DC-Specialities	Foundations			$62,400		$190
DC-Specialities	Clean chimneys			$26,000		$79
	Total Finishes				**$254,800**	
	Appliance packages:					
DC-Furnishings	Refrigerator	328		$170,560		$520
DC-Furnishings	Stove	328		$119,392		$364
DC-Furnishings	Dishwasher	328		$102,336		$312
DC-Furnishings	Mircrowave	328		$68,224		$208
DC-Furnishings	Garbage disposal	328		$27,290		$83
	Cabinet Refacing/Replacement					
DC-Furnishings	Kitchen	328		$852,800		$2,600
DC-Furnishings	Kitchen countertops (in linear feet)	3,280		$85,280		$260
DC-Furnishings	Bathrooms	464		$723,840		$2,207
DC-Furnishings	Bathroom countertops (in linear feet)	2,320		$60,320		$184
	Hardware					
DC-Furnishings	Cabinets, kitchen & bathrooms	792		$2,051		$6
DC-Furnishings	Bathrooms, towel rods, toilet paper holders, shower rods	672		$26,101		$80
	Flooring					
DC-Furnishings	Carpet replacement	328		$272,896		$832
DC-Furnishings	Vinyl w/ vinyl planking @ entry	328		$153,504		$468
	Total Furnishings				**$2,664,593**	
DC-Mechanical	HVAC replacement (inside & outside unit)			$520,000		$1,585
	Plumbing fixtures (toilets, sinks, tubs, faucets)					
DC-Mechanical	Kitchen sinks	328		$63,698		$194
DC-Mechanical	Lavatory sinks	464		$60,073		$183
DC-Mechanical	Kitchen faucets	328		$42,465		$129
DC-Mechanical	Lavatory faucets, sinks	464		$48,058		$147
DC-Mechanical	Lavatory faucets, bath & shower	464		$150,182		$458
DC-Mechanical	Shower inserts	464		$360,436		$1,099
DC-Mechanical	Toilets	464		$75,091		$229
DC-Plumbing	Boilers			$52,000		$159
	Total Mechanical				**$1,372,002**	
DC-Electrical	Lighting (energy efficient fixtures & lights)			$31,200		$95
	Electrical fixtures					

Willow Meadow Place Apartments

Proposed Capital Expenditures

TDHCA BCMD 5/14/09 15:37

10650 Beechnut

Tot. units 328

20 Buildings

SW= Site Work

DC= Direct Construction

TDHCA Category		Quantity	Price	Estimate		Per Unit
DC-Electrical	Kitchen	328		$25,584		$78
DC-Electrical	Bathrooms	328		$17,056		$52
DC-Electrical	Dining room	328		$25,584		$78
	Total Electrical				**$99,424**	
DC-Other	Office (including business center)			$31,200		$95
DC-Other	Golf carts			$10,400		$32
DC-Other	New mail center			$26,000		$79
DC-Other	Fitness Center			$20,800		$63
DC-Other	Designated handicap units and ramps			$131,040		$400
DC-Other	Security camera system			$104,000		$317
DC-Other	Electronic key control system			$8,320		$25
	Make-ready Items:					
DC-Other	Mini-Blinds	800		$33,280		$101
DC-Other	Vertical Blinds	328		$25,584		$78
DC-Other	Solar Window Screens	800		$62,400		$190
DC-Other	Door Screens	328		$17,056		$52
DC-Other	Switch plates	6,000		$3,120		$10
DC-Other	Light bulbs	2,000		$18,720		$57
DC-Other	Filters	328		$682		$2
DC-Other	Air duct cleaning	328		$119,392		$364
DC-Other	Maid service	328		$51,168		$156
	Total Other				**$663,162**	
				Total	**$8,243,038**	$25,131

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 2, Part B Rent Schedule

- **Supporting documentation for non rent income**

TDHCA RCVD 5/14/09 15:37

Willow Meadow Place
Volume 1, Tab 2 - Supporting Schedule
Non Rental Income Per Occupied Unit

	2005	2006	2007	2008	Average	Vol. 1, Tab 2	
Application Fees	$4.09	$1.58	$3.05	$3.35	$3.02	$3.00	
Laundry income	$5.78	$5.54	$6.46	$2.22	$5.00	$6.00	Lost 2 laundry rooms to fire in 2008. Average of 2005-2007 is $5.93
Cost of reletting	$0.11	$0.15	$1.05	$0.00	$0.33		
Electric commission	$0.25	$0.24	$0.17	$0.24	$0.22		
Late fees	$12.67	$11.79	$10.02	$8.23	$10.68		
Miscellaneous	$0.03	$0.04	$0.03	$0.00	$0.03		
NSF fees	$0.14	$0.17	$0.13	$0.14	$0.14		
Property damage reimb.	$0.54	$0.60	$0.18	$0.10	$0.36		
Transfer fees	$0.58	$0.06	$0.10	$0.00	$0.18		
Security deposit forfeitures	$11.82	$11.60	$8.52	$11.32	$10.82		
Vending income	$0.00	$0.03	$0.06	$0.05	$0.04		
	$26.15	$24.69	$20.26	$20.09	$22.80	$20.00	

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
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M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 2, Part C Utility Allowances

- **Allowance for Tenant/Walk up**

TDHCA RCVD 5/14/09 15:37

Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval N 2577-0169
(exp 07/31/2007)

See Public Reporting Statement and Instructions on back

Effective Date

Houston Housing Authority 2640 Fountain View Drive, Houston, TX 77057	**Apartment/Walk-Up**	12/1/2007

Utility or Service		Monthly Dollar Allowances					
		0BR	**1BR**	**2BR**	**3BR**	**4BR**	**5BR**
Heating	a. Natural Gas	$4	$4	$5	$6	$6	$7
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	$12	$16	$20	$24	$27	$31
	d. Coal/Other	-	-	-	-	-	-
Cooking	a. Natural Gas	$3	$5	$6	$8	$9	$11
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	$8	$12	$15	$18	$21	$25
	d. Coal/Other	-	-	-	-	-	-
Other Electric - Lighting - Base		$24	$35	$47	$59	$70	$82
Air Conditioning		$11	$22	$34	$46	$57	$69
Water Heating	a. Natural Gas	$9	$12	$15	$19	$24	$28
	b. Bottle Gas	-	-	-	-	-	-
	c. Electric	$15	$23	$31	$39	$47	$55
	d. Coal/Other	-	-	-	-	-	-
Water		$12	$18	$23	$27	$31	$36
Sewer		$11	$19	$25	$31	$37	$43
Trash Collection		N/A	N/A	N/A	N/A	N/A	N/A
Range/Microwave (if tenant supplies)		$7	$7	$7	$7	$7	$7
Refrigerator (if tenant supplies)		$9	$9	$9	$9	$9	$9
Other - Specify		-	-	-	-	-	-

Actual Family Allowances To be used by the family to compute allowance.
Complete Below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	Per Month Cost
Heating	
Cooking	
Other Electic	
Air Conditioning	
Water Heating	
Water & Sewer	
Sewer (see above	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
Total	**$0**

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 4,

Part A

- **Summary of Sources and Uses of Funds [Amended]**

Part B

- **Financing Participants [page missing]**
- **Financing Narrative [Amended]**

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Willow Meadow Place**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	First		$ 9,050,000	MMA Financial
2	Conventional Loan/FHA				
3	Conventional Loan/Letter of Credit	First	$ 20,000,000		Wells Fargo
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		$ 4,980,365	$ 13,945,000	The Richmond Group
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant		$ 1,314,800	$ 1,314,800	City of Houston
14	Private Loan or Grant				
15	Cash Equity				
16	In-Kind Equity/Deferred Developer Fee			$ 1,985,365	
TOTAL SOURCES OF FUNDS			$ 26,295,165	$ 26,295,165	
TOTAL USES OF FUNDS				$ 26,295,165	

(1) Indicate Exclusive Use Financing Paticipant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrustructure funds used only for off-site construction

Volume 1, Tab 4
PART B. FINANCING PARTICIPANTS

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "*Summary Sources and Uses of Funds*" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 1 Amount: $ 9,050,000 ☐ Interim ☒ Permanent ☐ Equity Commitment Date 2/24/09

Source Name: MMA Financial Contact Name: Timothy Leonhard

Address: 1705 W NW Hwy, Suite 145 City: Grapevine State: TX ZIP: 76051

Phone: (817) 310-5800 Fax: (817) 310-3817

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☒ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☒ **Loan** ☐ Recourse ☒ Non-Recourse Amortization Term: 35 yrs Repayment Term: 35 yrs

Interest Rate: 8 % ☒ Fixed ☐ Adjustable ☐ Floating

Rate Index: _____ Annual Payment $ _____ Lien Priority 1st

☐ **Syndication** Tax Credits Estimate: $ _____ Syndication Factor: $ _____ Per Credit Dollar

---

Source #: 2 Amount: $ 20,000,000 ☒ Interim ☐ Permanent ☐ Equity Commitment Date 2/26/09

Source Name: Wells Fargo, NA Contact Name: Mahesh Aiyer

Address: 1000 Louisiana, 10th Floor City: Houston State: TX ZIP: 77002

Phone: (713) 319-1489 Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☒ Conditional ☐ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☒ **Loan** ☒ Recourse ☐ Non-Recourse Amortization Term: ___ yrs Repayment Term: ___ yrs

Interest Rate: 8 % ☐ Fixed ☐ Adjustable ☒ Floating

Rate Index: LIBOR Annual Payment $ _____ Lien Priority 1st

☐ **Syndication** Tax Credits Estimate: $ _____ Syndication Factor: $ _____ Per Credit Dollar

---

Source #: 3 Amount: $ 13,943,624 ☐ Interim ☐ Permanent ☒ Equity Commitment Date 02/26/09

Source Name: The Richmond Group Contact Name: Michael Ramires

Address: 1800 North Kent Street City: Arlington State: VA ZIP: 22209

Phone: (703) 741-9910 Fax: (703) 741-9918

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☒ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: ___ yrs Repayment Term: ___ yrs

Interest Rate: _____ % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: _____ Annual Payment $ _____ Lien Priority _____

☒ **Syndication** Tax Credits Estimate: $ 1,884,462 Syndication Factor: $ .74 Per Credit Dollar

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "*Summary Sources and Uses of Funds*" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 4 Amount: $ 1,314,800 ☐ Interim ☒ Permanent ☐ Equity Commitment Date / /

Source Name: City of Houston Housing and Community Development Contact Name: Donald Sampley

Address: 601 Sawyer, 4th Floor City: Houston State: TX ZIP: 77007

Phone: (713) 868-8300 Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☐ Other: (Applied for)

☒ **Grant** Terms: Subject to compliance with all contractual obligations

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: ___ yrs Repayment Term: ___ yrs

Interest Rate: ____ % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: ____ Annual Payment $ ____ Lien Priority ____

☐ **Syndication** Tax Credits Estimate: $ ____ Syndication Factor: $ ____ Per Credit Dollar

Source #: 5 Amount: $ 1,985,365 ☐ Interim ☐ Permanent ☒ Equity Commitment Date / /

Source Name: Dalcor Affordable Housing, LLC Contact Name: M. Dale Dodson

Address: 5055 W. Park Blvd. Suite 700 City: Plano State: TX ZIP: 75093

Phone: (972) 769-2002 Fax: (972) 769-2004

Level of Commitment: ☐ Closed ☒ Firm ☐ Conditional ☐ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: ___ yrs Repayment Term: ___ yrs

Interest Rate: ____ % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: ____ Annual Payment $ ____ Lien Priority ____

☐ **Syndication** Tax Credits Estimate: $ ____ Syndication Factor: $ ____ Per Credit Dollar

Source #: ___ Amount: $ ____ ☐ Interim ☐ Permanent ☐ Equity Commitment Date / /

Source Name: ____ Contact Name: ____

Address: ____ City: ____ State: ___ ZIP: ____

Phone: ( ) - Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: ___ yrs Repayment Term: ___ yrs

Interest Rate: ____ % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: ____ Annual Payment $ ____ Lien Priority ____

☐ **Syndication** Tax Credits Estimate: $ ____ Syndication Factor: $ ____ Per Credit Dollar

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Volume 1, Tab 4 — Financing Narrative
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT

DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Construction loan will be provided by Wells Fargo Bank NA. in the approximate amount of $20,000,000; this is a facility loan to be used in conjunction with a portion of the HTC proceeds and an anticipated grant from the City of Houston to acquire and rehabilitate Willow Meadow Place Apartments. It will be repaid with the proceeds from the permanent financing and installments of the HTC proceeds; it is not part of the permanent financing structure.

The Applicant anticipates making application to the City of Houston Housing and Community Development Department for a grant in the amount of $1,314,800 to be used in conjunction with the construction loan and a portion of the HTC proceeds to acquire and rehabilitate Willow Meadow Place Apartments.

Permanent financing is anticipated to be provided by MMA Financial in the amount of $9,050,000 the proceeds of which will be used to retire the construction loan discussed above.

HTC equity is anticipated to be provided by The Richmond Group in the approximate amount of $13,944,000 the proceeds of which will be used to retire the construction loan discussed above.

It is the sponsors plan to pursue all matters necessary to complete all due diligence on the part of the financing participants prior to final awarding of the tax credits so that closing may occur as soon as possible

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 5

Part B
- **List of Organizations with an Ownership or Special Interest in the Applicant [Amended]**

Part C
- **List of Principals of Organizations with an Ownership or Special Interest in the Applicant [Amended]**

Part D
- **Certification of Principals [missing pages]**

Volume 1, Tab 5

PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Dalcor Affordable Housing, LLC
Contact Name: M. Dale Dodson
Address: 5055 W. Park Blvd. Suite 700 City: Plano State: TX ZIP: 75093
Phone: (972) 769-2002 Fax: (972) 769-2004 Email: ddodson@dalcorcompanies.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
WM Apartments, Ltd. .01%

Is Organization legally formed? ☐Yes ☒No Date of formation: _____
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: WM Appartments Genpar LLC
Contact Name: M. Dale Dodson
Address: 5055 W. Park Blvd. Suite 700 City: Plano State: TX ZIP: 75093
Phone: (972) 769-2002 Fax: (972) 769-2004 Email: ddodson@dalcorcompanies.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
WM Apartments, Ltd. %

Is Organization legally formed? ☐Yes ☒No Date of formation: _____
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: _____
Contact Name: _____
Address: _____ City: _____ State: __ ZIP: _____
Phone: ( ) - Fax: ( ) - Email: _____

Name(s) and Ownership % of Entities the Organization Owns or Controls:
_____ %

Is Organization legally formed? ☐Yes ☐No Date of formation: _____
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART C. LIST OF PRINCIPALS OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

This form must include all **organizations and natural persons** with an ownership interest in the Development Owner, Developer, or Guarantor or that will receive more then 10% of the developer fee. This form must also include the executive directors and board members of nonprofits, corporations and government instrumentalities (even if the executives and board members own "0%" of the organization.) **Note:** you must submit *Part E.* ***Previous Participation and Background Certification Form*** for each person/entity identified as having previous participation on this form.

Organization Name:	Principal Name:	Role/Title	% Interest in the Org.	**Principal has Previous Participation with Funding from TDHCA:**
Organization 1.1	(Blank if space to left is not blank)	Development Owner	100%	☐ Yes ☒ No
	Principal 1	General Partner	100%	☒ Yes ☐ No
Organization 1.2 (the GP, e.g. a non profit)	(Blank if space to left is not blank)	General Partner	100%	☒ Yes ☐ No
	Principal 1	Executive Director	0%	☐ Yes ☒ No
	Principal 2	Board Member	0%	☒ Yes ☐ No
Dalcor Affordable Housing, LLC(sole member of GP)	M. Dale Dodson	Co-Manager	50%	☐ Yes ☒ No
	John C. Jenkins	Co-Manager	50%	☐ Yes ☒ No
WM Apartments Genpar, LLC(GP)	M. Dale Dodson	Co-Manager(indirect ownership)	0%	☐ Yes ☒ No
	John C. Jenkins	Co-Manager(indirect ownership)	0%	☐ Yes ☒ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
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				☐ Yes ☐ No
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				☐ Yes ☐ No
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				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

8) For the period beginning ten years prior to the date of this certification:
   a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
   b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.

9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
a) 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.),
b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

WM Apartments, Ltd.

Entity/Person Represented by this form

By: M. Dale Dodson — *Signature of Applicant/Owner/Authorized Person*

2/26/2009 — *Date*

Its: M. Dale Dodson, Member, Co-Manage Dalcor Affordable Housing, LLC, sole Member of General Partner

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

Notary Public Signature

5/25/2011 — *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

8) For the period beginning ten years prior to the date of this certification:
   a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
   b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.

9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
a) 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.),
b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

WM Apartments Genpar, LLC

Entity/Person Represented by this form

By: M. Dale Dodson — *Signature of Applicant/Owner/Authorized Person*

2/26/2009 — *Date*

Its: M. Dale Dodson, Member, Co-Manage Dalcor Affordable Housing, LLC, sole Member of General Partner

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

Notary Public Signature

5/25/2011 — *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

8) For the period beginning ten years prior to the date of this certification:
   a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
   b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.

9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
a) 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.),
b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

Dalcor Affordable Housing, LLC

Entity/Person Represented by this form

By: M. Dale Dodson — *Signature of Applicant/Owner/Authorized Person*

2/26/2009 — *Date*

Its: M. Dale Dodson, Member, Co-Manage Dalcor Affordable Housing, LLC, sole Member of General Partner

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

Notary Public Signature

5/25/2011 — *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

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- **Part A2, Unique Identifier**

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
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M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 1, Tab 7

Part E

- **Part I – Credit Limit [Amended]**
- **Part II – Credit Limit [missing pages]**

Volume 1, Tab 7
PART E. 9% APPLICANT CREDIT LIMIT DOCUMENTATION AND CERTIFICATION
(HTC 9% ONLY)

Pursuant to §49.6(d) of the QAP, the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant (which includes Affiliates), Developer, Related Party, or Guarantor. Applicants are eligible to submit tax credit Applications for which the total requested credits exceed $2 million, however, all Applications must be identified herein to ensure that the Department is advised of all Applications having potential for violations, so that actual commitments do not exceed $2 million.

In order to encourage the capacity enhancement of developers in Rural areas, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer, is submitted in the Rural Regional Allocation, and the Development has 80 Units or less. To be considered for this provision, a copy of a Joint Venture Agreement and narrative of how this builds the capacity of the inexperienced developer is required to be submitted behind this form.

Instructions
Complete Part I of this form. For each person or entity identified in Part I, a Part II form must be submitted (i.e. if 4 persons/entities are listed in Part I, then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

A. Development Name: Willow Meadow Place

B. Applicant Name: WM Apartments, Ltd.

C. Affiliates of the Applicant, Developers, Related Parties, and Guarantors– List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer, Related Party, or Guarantor:

1. Dalcor Affordable Housing, LLC
2. M. Dale Dodson
3. John C. Jenkins
4. WM Apartments Genpar, LLC
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

Individually, or as the general partner(s) or 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 entity that meet the definition of Applicant (which includes Affiliates) or Developer, Related Party, or Guarantor.

By: M. Dale Dodson _____ 2/26/2009 _____ Its: M. Dale Dodson, Member, Co-Manage Dalcor Affordable Housing, LLC, sole Member of General Partner

Signature of Applicant/Owner *Date*

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: WM Apartments, Ltd.

which is:
- ☒ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Willow Meadow Place	Houston		

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodson 2/26/2009 Its: Co-Manager, General Partner

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: WM Apartments Genpar LLC

which is:
- ☒ the Applicant for a tax credit allocation.
- ☐ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

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Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
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In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodson 2/26/2009 Its: Co-Manager of Sole Member

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Dalcor Affordable Housing, LLC

which is:
- ☐ the Applicant for a tax credit allocation.
- ☒ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 5055 W. Park Blvd., Suite 700 City: Plano State: TX ZIP: 75093

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Willow Meadow Place	Houston		

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

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Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: M. Dale Dodson 2/26/2009 Its: Co-Manager

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Willow Meadow Place

Applicant Name: WM Apartments, Ltd.

Name and role of Person or Entity Completing this Form (must match Part I):

Name: John C. Jenkins

which is:
- ☒ the Applicant for a tax credit allocation.
- ☒ a Developer for the Applicant for this specific Application
- ☒ a Related Party to the Applicant.
- ☒ a Guarantor on the Application.

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Willow Meadow Place	Houston		

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 2/26/2009 Its: M. Dale Dodson, Member, Co-Manage Dalcor Affordable Housing, LLC, sole Member of General Partner

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 2, Tab 2

- **Existing Residential Development [missing page]**

Volume 2, Tab 2
2009 EXISTING RESIDENTIAL DEVELOPMENT CERTIFICATION FORM

HTC File No.: 09128 Development Name: Willow Meadow Place

☒ **I (We) certify that the proposed Development is Rehabilitation of an Existing Residential Development that does not include reconstruction, and:**

- The proposed Units are solely located within building(s) from an Existing Residential Development which are being rehabilitated
- The existing residential Units are being rehabilitated within the walls of an existing residential building(s)
- No Units proposed will be located within New Construction building(s) or adaptive re-use of non-residential building(s)

☐ **I (We) certify that the proposed Development is Rehabilitation of an Existing Residential Development that does include reconstruction, and:**

- The Applicant is proposing demolition of existing residential building's Units. The Units being replaced were residential (non-transient or SRO)
- The Applicant is proposing demolition of existing residential building(s), not adaptive re-use such as a factory, hotel, or bank
- The Application is proposing demolition of existing residential building(s), and all Units being replaced and rebuilt were and/or are located on the Development Site currently under control of the Applicant (scattered sites acceptable, but must build at least one building on each site under control).
- Total Units proposed are equal to or less than the total number of residential Units in the Existing Residential Development **being demolished/replaced.**

By: M. Dale Dodson 2/26/2009 Its: Co-Manager
Signature of Development Owner *Date*

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

Teresa L. Seidl 5/25/2011
Notary Public Signature *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
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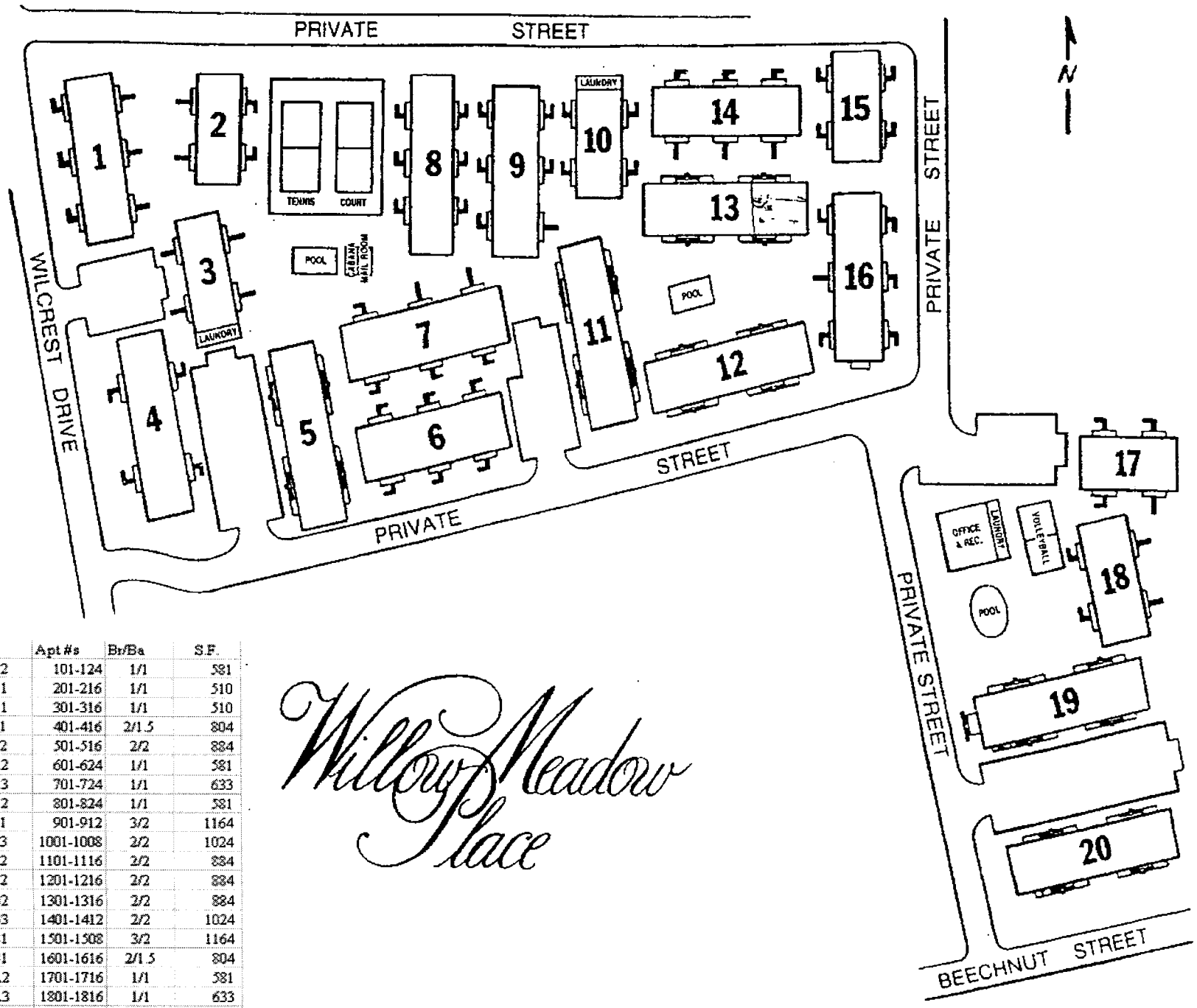
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 3, Tab 1

- **Site Plan [Amended]**



Building #	Type	Apt #s	Br/Ba	S.F.
1	A2	101-124	1/1	581
2	A1	201-216	1/1	510
3	A1	301-316	1/1	510
4	B1	401-416	2/1.5	804
5	B2	501-516	2/2	884
6	A2	601-624	1/1	581
7	A3	701-724	1/1	633
8	A2	801-824	1/1	581
9	C1	901-912	3/2	1164
10	B3	1001-1008	2/2	1024
11	B2	1101-1116	2/2	884
12	B2	1201-1216	2/2	884
13	B2	1301-1316	2/2	884
14	B3	1401-1412	2/2	1024
15	C1	1501-1508	3/2	1164
16	B1	1601-1616	2/1.5	804
17	A2	1701-1716	1/1	581
18	A3	1801-1816	1/1	633
19	B2	1901-1916	2/2	884
20	B2	2001-2016	2/2	884

Willow Meadow Place

TDHCA RCVD 5/14/09 15:37

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

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RANDY PLITT
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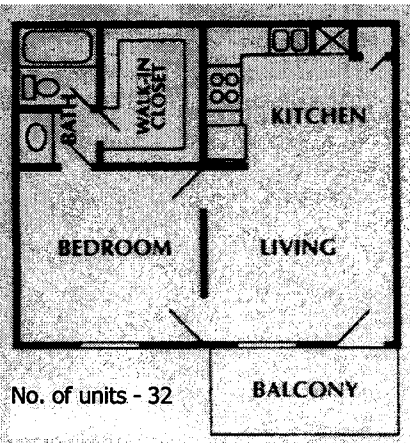
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 3, Tab 1

- **Unit Floor Plans [Amended]**

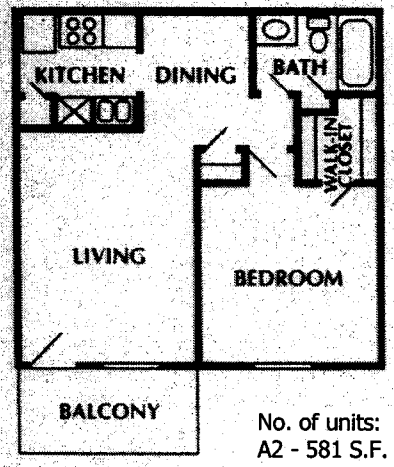


No. of units - 32

A1 - One Bedroom, One Bath
510 Square Feet

Deposit _____

Rate _____

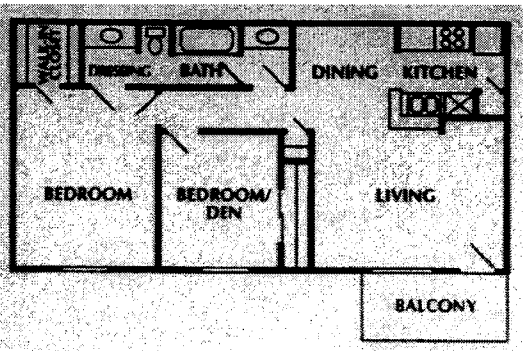


No. of units:
A2 - 581 S.F. - 88
A3 - 633 S.F. - 40

A2 - One Bedroom, One Bath
581 or 633 Square Feet

Deposit _____

Rate _____

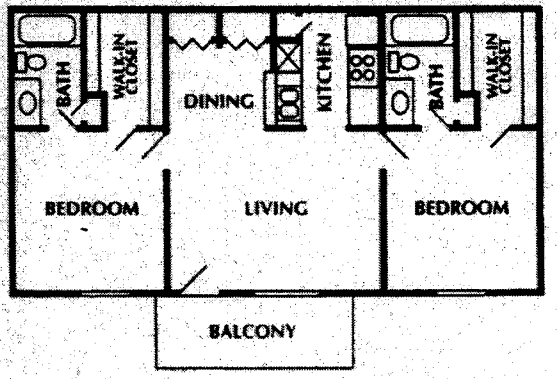


No. of units - 32

B1 - Two Bedroom, One & One Half Bath
804 Square Feet

Deposit _____

Rate _____

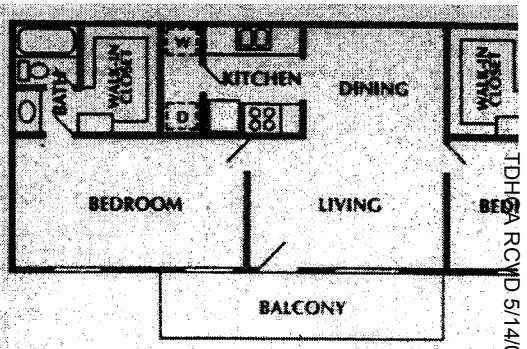


No. of units - 96

B2 - Two Bedroom, Two Bath
884 Square Feet

Deposit _____

Rate _____

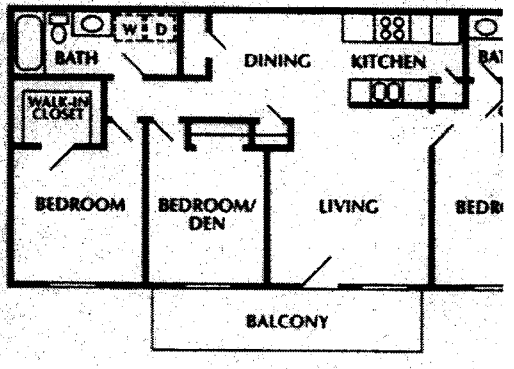


No. of units - 20

B3 - Two Bedroom, Two Bath
1024 Square Feet

Deposit _____

Rate _____



No. of units - 20

C1 - Three Bedroom, Two Bath
1164 Square Feet

Deposit _____

Rate _____

TDHCA RCVD 5/14/09 15:37

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 3, Tab 2

- **See information provided for Volume 3, Tab 6, Part C, (enclosed) [missing pages]**
- **Zoning – Affidavit [Amended]**

TDHCA RCVD 5/14/09 15:37

Volume 3, Tab 6, Part C – Acquisition of Existing Building
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT

DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Willow Meadow Place Apartments was originally purchased on 7/31/1998 by HT Apartments Limited Partnership (see attached Special Warranty Deed) along with five other apartment communities. The General Partner was HT Genpar, Ltd. and the 99% Limited Partner was Dalcor Realty, LLC.

On July 31, 2002 Willow Meadow Place Apartments, in conjunction with a refinancing was transferred to Dalcor Willow Meadow Apartments, Ltd. (see attached Special Warranty Deed); the new first mortgage lender demanded a single asset partnership.

The Owners of HT Apartments Limited Partnership and Dalcor Willow Meadow Apartments, Ltd. are the same; see attached Organization Chart and partnership agreement evidence.

The original purchase price is indicated on the Purchaser's allocation (attached)

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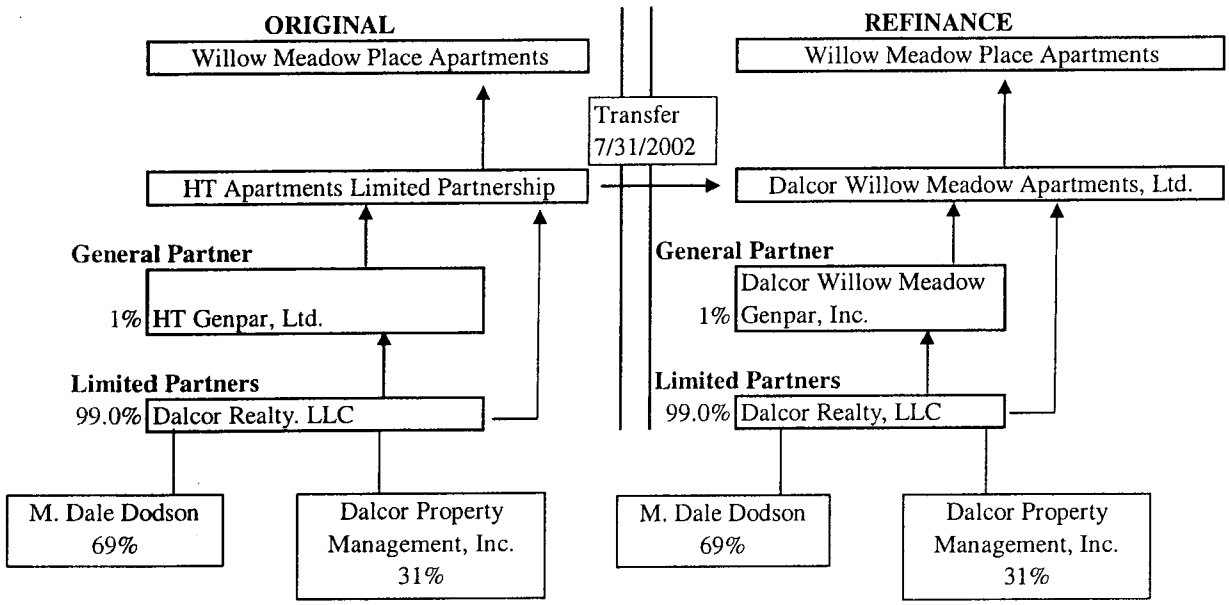
Willow Meadow Place Apartments



TDHCA RCVD 5/14/09 15:37

T177464

SPECIAL WARRANTY DEED

07/31/98 100816537 T177464 $65.00

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership (herein called "Grantor"), for and in consideration of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable cash consideration to Grantor in hand paid and caused to be paid in the manner hereinafter stated by HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (herein called "Grantee"), whose mailing address is 3627 North Josey Lane, Carrollton, Texas 75007, the receipt and sufficiency of which are hereby acknowledged, has, subject to those matters set forth in Exhibit "B" hereto, GRANTED, SOLD and CONVEYED and by these presents does hereby GRANT, SELL and CONVEY unto Grantee the real property in Harris County, Texas, the real property being more particularly described in Exhibit "A" attached hereto, together with all improvements, rights, easements, hereditaments and appurtenances thereto (the "Property").

For the same consideration recited above, Grantor hereby GRANTS, SELLS and CONVEYS without warranty, express or implied, all interest, if any, of Grantor in (i) strips or gores, if any, between the Property and abutting or immediately adjacent properties, and (ii) any land lying in or under the bed of any street, alley, road or right-of-way, opened or proposed, abutting or immediately adjacent to the Property.

THIS CONVEYANCE IS MADE SUBJECT TO those matters set forth on Exhibit "B" attached hereto and incorporated herein for all purposes.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to those matters set forth in Exhibit "B", unto Grantee, Grantee's heirs, personal representatives, successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property, subject, however, as aforesaid, to those matters set forth in Exhibit "B" unto Grantee, Grantee's heirs, personal representatives, successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Grantor is conveying, and Grantee is accepting, the Property in its "AS-IS", "WHERE-IS" condition, "WITH ALL FAULTS". Except as set forth in the Earnest Money Contract dated July 24, 1998 between Grantor and Grantee, no warranties, express or implied, are given by Grantor with respect to the Property, other than the special warranty of title set forth herein.

Grantee, by its acceptance hereof, does hereby assume and agree to pay all ad valorem taxes pertaining to the Property for the calendar year 1998 and subsequent years, there having been a proper proration of same between Grantor and Grantee.

Return to
Alamo Title Company
Title Agency Division
5251 Westheimer, Suite 200
Houston, Texas 77056
98212697 K1

237447 WJL 103871 00004 7/28/98

TDHCA RCVD 5/14/09 15:37

EXECUTED and DELIVERED as of the 31st day of July, 1998.

GRANTOR:

WESTCHASE MULTIFAMILY, L.P.,
a Delaware limited partnership

By: MDS RREFCO, Inc.
Its General Partner

By: Karin Shewer
Karin Shewer, Vice President

STATE OF ~~TEXAS~~ New York §
§ New York
COUNTY OF ~~HARRIS~~ New York §

This instrument was acknowledged before me on the 29th day of July, 1998, by Karin Shewer, Vice President of MDS RREFCO, Inc., a corporation, the General Partner of WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership, on behalf of said limited partnership.

KAREN A. McGRANE
Notary Public, State of New York
No. 4908407
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires October 19, 1999

Karen A McGrane
Notary Public

WHEN RECORDED, RETURN TO:
Alamo Title Company
5251 Westheimer, Suite 200
Houston, Texas 77056
Attention: Mr. Lucky Long
713-966-4040
GF No. 9821269761 - Chestnut Apartments
GF No. 9821269762 - The Meadows Apartments
GF No. 9821269763 - Shadow Creek Apartments
GF No. 9821269764 - Spring Meadows Apartments
GF No. 9821269765 - Walnut Bend Apartments
GF No. 9821269766 - Willow Meadow Apartments

PREPARED IN THE OFFICE OF:
Greg Savage
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77056
713-977-8686

TDHCA RCVD 5/14/09 15:37

Willow Meadow
02R12802

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

That HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to it in hand paid by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantee"), the receipt and sufficiency of which are hereby acknowledged and confessed, and upon and subject to the exceptions, liens, encumbrances, terms and 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 described on Exhibit "A" which is attached hereto and made a part hereof for all purposes, together with all and singular the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto, and together with all improvements located thereon and any right, title and interest of Grantor in and to adjacent streets, alleys and rights-of-way (said land, rights, benefits, privileges, easements, tenements, hereditaments, appurtenances, improvements and interests being hereinafter referred to as the "Property").

This conveyance is made subject and subordinate to all matters of record affecting the Property (the "Permitted Exceptions") which are attached hereto on Exhibit "B" and made a part hereof for all purposes, but only to the extent that they affect or relate to the Property.

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its heirs, executors, legal representatives, successors and assigns, forever; and Grantor does hereby bind itself, its heirs, executors, legal representatives, successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its heirs, executors, legal representatives, successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the 31 day of July, 2002.

TDHCA RCVD 5/14/09 15:37

CERTIFICATE OF GENERAL PARTNER OF HT APARTMENTS LIMITED PARTNERSHIP

The undersigned, the sole General Partner of HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (the "Partnership"), hereby certifies as follows:

(1) Attached hereto as Exhibit "A" is a true and correct copy of the Agreement of Limited Partnership of the Partnership which Agreement has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(2) Attached hereto as Exhibit "B" is a true and correct copy of the Certificate of Limited Partnership of the Partnership, which Certificate has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(3) As of the date hereof (a) the Partnership has not been dissolved or terminated and no proceeding for dissolution or termination is contemplated, and (b) no default or event which with the lapse of time or the giving of notice or both has occurred under the Agreement of Limited Partnership of the Partnership; and

(4) The Unanimous Written Consent attached hereto as Exhibit "C" has not been amended or revoked and remains in full force and effect as of the date hereof.

EXECUTED as of July 31, 1998.

HT APARTMENTS GENPAR, LTD., a Texas limited partnership

By: HT APARTMENTS I CORPORATION,
a Texas Corporation, its
sole General Partner

By: M. Dale Dodson
M. Dale Dodson
President

TDHCA RCVD 5/14/09 15:37

LIMITED PARTNERSHIP AGREEMENT

FOR

HT APARTMENTS LIMITED PARTNERSHIP

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 1998, by and among HT Apartments Genpar, Ltd., a Texas limited partnership, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is HT Apartments Limited Partnership. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 3627 N. Josey, Carrollton, Texas 75007, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of the real estate projects listed on Exhibit "B" (collectively, the "Property") and such activities as are necessary, incidental or appropriate in connection therewith.

TDHCA RCVD 5/14/09 15:37

EXECUTED to be effective as of the date first set forth above.

NAME OF PARTNER:

ADDRESS:
3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#
75-2774227

GENERAL PARTNER:

HT APARTMENTS GENPAR, LTD., a Texas limited partnership

By: HT Apartments I Corporation, a Texas corporation, its sole General Partner

By: M. Dale Dodson
M. Dale Dodson, President

LIMITED PARTNER:

ADDRESS:
3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#
75-2514070

DALCOR REALTY L.L.C., a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

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EXHIBIT "A"
TO
LIMITED PARTNERSHIP AGREEMENT
OF
HT APARTMENTS LIMITED PARTNERSHIP

PARTNERSHIP INTERESTS; INITIAL CONTRIBUTIONS

NAME	INTEREST	INITIAL CONTRIBUTION
General Partner	1%	$1,419
Dalcor Realty, L.L.C.	99%	$140,481
TOTAL	100%	$141,900

TDHCA RCVD 5/14/09 15:37

LIMITED PARTNERSHIP AGREEMENT

FOR

DALCOR WILLOW MEADOW APARTMENTS, LTD.

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 2002, by and among Dalcor Willow Meadow Genpar, Inc., a Texas corporation, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is Dalcor Willow Meadow Apartments, Ltd. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 15601 Dallas Parkway, Suite 550, Addison, Texas 75001, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of Willow Meadow Apartments located at 10630 Beechnut Street, Houston, Harris County, Texas (the "Property") and such activities as are necessary, incidental or appropriate in connection therewith. Notwithstanding anything else herein to the contrary, the Partnership shall conduct no business other than that described in the previous sentence.

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defined therein), and shall only constitute a claim against the Partnership to the extent of, and shall be paid by the Partnership in monthly installments only from, the excess of net operating income for any month over all amounts then due under the Security Instrument and the other Loan Documents.

5. This Amendment may be executed in one or more counterparts.

EXECUTED to be effective as of the date described in Recital D, above.

GENERAL PARTNER

DALCOR WILLOW MEADOW GENPAR, INC.,
a Texas corporation

By: M. Dale Dodson
M. Dale Dodson, President

Date: 8-29-05

LIMITED PARTNER

DALCOR REALTY, L.L.C.,
a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

Date: _____

CLASS B LIMITED PARTNER

JENKINS & COMPANY, INC.,
a Texas corporation

By: _____
Name: John Jenkins
Title: Pres.

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EXHIBIT C

Limited and General Partners and Ownership Percentages

Dalcor Willow Meadow Genpar, Inc.	1%
Dalcor Realty, LLC	99%

Class B Limited Partner

Jenkins Co., Inc.	100%

HT APARTMENTS LIMITED PARTNERSHIP
CLOSING STATEMENTS
JULY 31, 1998

	ACCT #	HT	TOTAL	Chestnut Park	Meadows	Shadow Creek	Spring Meadows	Walnut Bend	Willow Meadow Pl
Asset Cost			72,860,000.00	14,571,000.00	16,835,000.00	8,131,000.00	7,308,000.00	18,173,000.00	7,841,000.00
Additional Asset Costs:									
Title Ins–Alamo Title		6,067.00							
Recording Fees		275.00							
Maint Transfer Fee NW to TX Comm Mgmt		100.00							
Survey – So TX Surveying Assoc		1,200.00							
Due Diligence Fee–Dalcor		37,000.00							
Total Add'l Asset Costs		44,642.00							
Spread Add'l Asset Costs (Purch Price)		(44,642.00)	44,642.00	8,928.00	10,315.00	4,982.00	4,478.00	11,135.00	4,804.00
NET ASSET COST	#1520		72,904,642.00	14,579,928.00	16,845,315.00	8,135,982.00	7,313,478.00	18,184,135.00	7,845,804.00
Financing Costs:									
Atty Fees–Windels,		46,500.00							
Atty Fees–McGuire (2/3)		17,500.00							
Dalcor pd Lehman		25,000.00							
Fee–Share & Blejas		3,500.00							
Fee–Holliday Fenoglio		310,600.00							
	#1550	403,100.00	LEAVE ON PARTNERSHIP BOOKS						
Organizational Costs:									
1/3 Attny Fees McGuire	#1540	8,750.00	LEAVE ON PARTNERSHIP BOOKS						
Security Deposit Cash	#1040	320,662.00	LEAVE ON PARTNERSHIP BOOKS						
Reserve Cash–Hatfield Phillips	#1350		1,039,400.00	265,700.00	103,500.00	80,200.00	96,400.00	125,000.00	368,600.00
Insurance Escrow	#1310		39,765.00	7,952.00	9,188.00	4,438.00	3,989.00	9,919.00	4,279.00
Tax Escrow	#1310		781,952.22	157,427.00	178,242.00	96,726.00	77,918.00	198,130.00	73,509.22
Cash–Dalcor–Operating Funds	#1020	114,826.35							
Cash–Dalcor–Utility Deposits	#1020	141,900.00							
Property Tax Liability	#2210		(781,952.22)	(157,427.00)	(178,242.00)	(96,726.00)	(77,918.00)	(198,130.00)	(73,509.22)
Mortgage Note Payable	#3020		(74,480,000.00)	(14,960,190.00)	(17,068,464.00)	(8,275,512.00)	(7,463,876.00)	(18,439,386.00)	(8,272,572.00)
Security Deposit Liability	#2310		(320,662.00)	(65,939.00)	(71,487.00)	(41,712.00)	(32,250.00)	(87,457.00)	(21,817.00)
Prepaid Rent	#2030		(31,722.00)	(14,240.00)	(6,400.00)	(732.00)	(7,291.00)	(2,158.00)	(901.00)
Capital (Equity–net)	#4110	(141,900.00)							
Capital (Fee pd Lehman)	#4110	(25,000.00)	LEAVE ON PARTNERSHIP BOOKS						
Prepaid Insurance (Down) (P&L)	#1410		16,878.65	3,375.31	3,899.94	1,883.75	1,693.17	4,210.22	1,816.26
Prepaid Insurance (Flood Ins)	#1410		9,280.00	9,280.00					
Delivery/Courier–Chicago Title	#8540		80.00	13.33	13.34	13.33	13.33	13.34	13.33
Due to/from HT		(822,338.35)	822,338.35	194,120.36	184,434.72	95,438.92	87,843.50	185,723.44	74,777.41
		0.00	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00	0.00

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TDHCA RCVD 5/14/09 15:37

Affidavit of Zoning
Willow Meadow Place Apartments

The land upon which the development is situated does not have any zoning or deed restrictions.

M. Dale Dodson, Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member of General Partner.

By: M. Dale Dodson 2/26/2009
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl 5/25/2011
Notary Public Signature *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 3, Tab 2

- **See information provided for Volume 3, Tab 6, Part C, (enclosed) [missing pages]**
- **Zoning – Affidavit [Amended]**
- **Title Policy**

TDHCA RCVD 5/14/09 15:37

REQUEST FOR NEW ORDER ORDER # _____

CT00000_____

Date: 5/14/09 Time given to Adserve: _____

Contract attached: ☐ Yes ☒ No Number of binders required: _____

TEXAS

Agency: (CTIC) (Ticor) (Other _____ (25%) (40%) (60%) (_____%)

Processor Name: _____ Phone No.: _____

Seller: DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership Borrower: _____

Purchaser: WM APARTMENT, LTD. Lender: _____

Customer Name & Address:

Closer: **Wheeler** **Randy Plitt**

Mkt. Rep: P4 **Dalcor Companies**

Liability: Sale:$ **TBD** ☐ **TBD** Order Type: ☒ **Sale/Purchase** ☐ **Loan**

Loan:$ _____ ☐ **TBD**

42 Industrial Bldg ☐ 43 Office Bldg ☐
44 Shopping Ctr. ☐ 45 Apartments x
46 Other Commercial/Industrial Land ☐

Legal/Property Address: **Please see prior 679903**

County: **Harris**

PROJECT NAME: **Willow Meadow Place**

SPECIAL INSTRUCTIONS:

Please Rush – Les promised title in a week.

OUT OF STATE

Processor Name: _____ Phone No.: _____

Seller: _____ Borrower: _____

Purchaser: _____ Lender: _____

Customer Name & Address:

Closer: _____

Mkt. Rep: _____

Liability: Sale: $ _____ ☐ **TBD** Order Type: ☐ **Sale/Purchase** ☐ **Loan**

TDHCA RCVD 5/14/09 15:37

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 or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking that has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.

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 (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material); or

(e) resulting in loss or damage that would not have been sustained if the insured claimant had paid value for the insured mortgage.

4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.

5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.

6. Any statutory or constitutional mechanic's, contractor's, or materialman's lien for labor or material having its inception subsequent to Date of Policy.

7. 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 unmarketability of the title.

8. Any claim which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or other state or federal creditors' rights laws that is based on either (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer or a voidable distribution or voidable dividend, (ii) the subordination or recharacterization of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure of the Company or its issuing agent to timely file for record the instrument of transfer to the insured after delivery or the failure of such recordation to impart notice to a purchaser for value or a judgement or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured name in Schedule A. The term "insured" also includes

(i) the owner of the indebtedness secured by the insured mortgage and each successor in ownership of the indebtedness except a successor who is an obligor under the provisions of Section 12(c) of these Conditions and Stipulations (reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor insured, unless the successor acquired the indebtedness as a purchaser for value without knowledge of the asserted defect, lien, encumbrance, adverse claim or other matter insured against by this policy as affecting title to the estate or interest in the land);

(ii) any governmental agency or governmental instrumentality that is an insurer or guarantor under an insurance contract or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage, or any part thereof, whether named as an insured herein or not;

(iii) the parties designated in Section 2(a) of these Conditions and Stipulations.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice that may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, and improvements affixed thereto that by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state status 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 Section 1(a)(iv) of the Exclusions From Coverage, "public records" also shall include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.

(g) "access": legal right of access to the land and not the physical condition of access. The coverage provided as to access does not assure the adequacy of access for the use intended.

2. CONTINUATION OF INSURANCE

(a) **After Acquisition of Title.** The coverage of this policy shall continue in force as of Date of Policy in favor of (i) an insured who acquires all or any part of the estate or interest in the land by foreclosure, trustee's sale, conveyance in lieu of foreclosure, or other legal manner which discharges the lien of the insured mortgage; (ii) a transferee of the estate or interest so acquired from an insured corporation, provided the transferee is the parent or wholly-owned subsidiary of the insured corporation, and their corporate successors by operation of law and not by purchase, subject to any rights or defenses the Company may have against any predecessor insureds; and (iii) any governmental agency or governmental instrumentality that acquires all or any part of the estate or interest pursuant to a contract of insurance or guaranty insuring or guaranteeing the indebtedness secured by the insured mortgage.

(b) **After Conveyance of Title.** The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness 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 covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. 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 indebtedness secured by a purchase money mortgage given to the insured.

(c) **Amount of Insurance.** The amount of insurance after the acquisition or after the conveyance shall in neither event exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

(ii) the amount of the principal of the indebtedness secured by the insured mortgage as of Date of Policy, interest thereon, expenses of foreclosure, amounts advanced pursuant to the insured mortgage to assure compliance with laws or to protect the lien of the insured mortgage prior to the time of acquisition of the estate or interest in the land and secured thereby and reasonable amounts expended to prevent deterioration of improvements, but reduced by the amount of all payments made; or

(iii) the amount paid by any governmental agency or governmental instrumentality, if the agency or instrumentality is the insured claimant, in the acquisition of the estate or interest in satisfaction of its insurance contract or guaranty.

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 4(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 to the estate or interest or the lien of the insured mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

Subject to the provisions of this policy, upon acquisition of all or any part of the estate or interest in the land pursuant to the provisions of Section 2 of these Conditions and Stipulations, 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 to the estate or interest in the land 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 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

TDHCA RCVD 5/14/09 15:37

GF# 679903 - M Prem. Am: $3,672.50
Mortgagee Policy No. 44-903-101-000679903

SCHEDULE A

Effective Date of Policy: August 31, 2005 3:21 PM
Amount of Insurance: $7,400,000.00

1. Name of Insured:

JPMORGAN CHASE BANK, N.A., a banking association, and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions and Stipulations

2. The estate or interest in the land that is insured as encumbered by the insured mortgage is:

FEE SIMPLE

3. Title to the estate or interest in the land is insured as vested in:

DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership

4. The insured mortgage and assignments thereof, if any, are described as follows:

Deed of Trust and Security Agreement executed by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership to CHICAGO TITLE INSURANCE COMPANY, Trustee(s), dated August 30, 2005, filed for record on August 31, 2005 and recorded under Document No. Y733363, Offical Public Records, Harris County, Texas to secure the payment of one note of even date therewith in the original principal amount of $7,400,000.00, payable to JPMORGAN CHASE BANK, N.A., a banking association chartered under the laws of the United States of America. Said note and lien further secured by Assignment of Leases and Rents filed for record on August 31, 2005 and recordedunder Document No. Y733365, Official Public Records, Harris County, Texas.

5. The land referred to in this policy is described as follows:

SEE ATTACHED DESCRIPTION

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GF# 679903
Mortgagee Policy No. 44-903-101-000679903

DESCRIPTION

A 12.3093 acre (536,192 square feet) tract of land being all of WILLOW MEADOW PLACE APARTMENT of record in Volume 287, Page 131 of the Harris County Map Records in the Henry Cobb Survey, Abstract No. 219, in the City of Houston, Harris County, Texas, and being more fully described by metes and bounds as follows (with bearings referenced to said plat of Willow Meadow Place Apartments);

BEGINNING at a 5/8 inch iron rod found in the east right-of-way line of Wilcrest Drive (100.00 feet wide) marking the most southerly west corner of the herein described tract and which bears North 12 degrees 48 minutes 26 seconds West, 430.00 feet from the most westerly cut back corner located at the northeast corner of the intersection of said Wilcrest Drive and Beechnut Street;

THENCE North 12 degrees 40 minutes 26 seconds West, along said right-of-way line of Wilcrest Drive, a distance of 296.44 feet to an "X" cut in concrete set for the point of curvature of a curve to the right;

THENCE Northwesterly, continuing along said right-of-way line of Wilcrest Drive and along the arc of said curve to the right having a radius of 2450.00 feet, a central angle of 06 degrees 21 minutes 06 seconds, a chord bearing North 09 degrees 29 minutes 53 seconds West, 271.46 feet, an arc length of 271.60 feet to a 5/8 inch iron rod found for the northwest corner of this tract;

THENCE North 89 degrees 52 minutes 55 seconds East, along a north line of this tract, a distance of 921.62 feet to an "X" found in the edge of a concrete pavement in the most westerly line of Beechnut Place II Apartments as recorded in Volume 297, Page 128 of the Harris County Map Records;

THENCE South 00 degrees 09 minutes 46 seconds West, along the East line of this tract, and the most westerly line of said Beechnut Place II Apartments, a distance of 364.63 feet to a 5/8 inch iron rod found for an interior corner of this tract and a westerly corner of said Beechnut Place II Apartments;

THENCE North 89 degrees 52 minutes 55 seconds East, along a north line of this tract and a south line of said Beechnut Place II Apartments, a distance of 211.11 feet to a 5/8 inch iron rod found in the west right-of-way line of Maplecrest Street;

THENCE South 00 degrees 09 minutes 46 seconds West, along the west right-of-way line of said Maplecrest Street, a distance of 417.00 feet to a 5/8 inch iron rod set in the arc of a curve and marking the intersection of the west right-of-way line of Maplecrest Street with the north right-of-way line of Beechnut Street;

THENCE Westerly, along the north right-of-way line of said Beechnut Street and the arc of said curve to the left having a radius of 3550.00 feet, a central angle of 01 degrees 18 minutes 01 seconds, a chord bearing of South 77 degrees 58 minutes 35 seconds West, 80.56 feet, an arc length of 80.56 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE South 77 degrees 19 minutes 34 seconds West, continuing along said right-of-way line of Beechnut Street, a distance of 156.45 feet to a 5/8 inch iron rod found for the most southerly corner of this tract;

THENCE North 12 degrees 40 minutes 26 seconds West, a distance of 440.00 feet to a 5/8 inch iron rod found for an interior corner of this tract;

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DESCRIPTION

THENCE South 77 degrees 19 minutes 34 seconds West, along a south line of this tract, a distance of 710.00 feet to the POINT OF BEGINNING AND CONTAINING 12.3093 acres of land.

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

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GF# 679903 -M
Mortgagee Policy No. 44-903-101-000679903

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's 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. *The following restrictive covenants of record itemized below, but the Company insures that any such restrictive covenants have not been violated so as to affect, and that future violation thereof will not affect, the validity or priority of the mortgage hereby insured (insert specific recording data or delete this exception):*

   Volume 287, Page 131, Map Records, Harris County, Texas, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

2. *Shortages in area.*

3. *Standby fees, taxes and assessments by any taxing authority for the year 2005 and subsequent years; 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. Company insures that standby fees, taxes and assessments by any taxing authority for the year 2005 are not yet due and payable.*

4. *(Insert here all other specific exceptions as to superior liens, easements, outstanding mineral and royalty interests, etc.)*

5. Utility easement 10 feet in width along the south and most easterly west property line(s), together with an unobstructed aerial easement adjoining thereto, 5 feet wide from a plane 20 feet above ground upward, as set forth by instrument filed for record under Harris County Clerk's File No. G175302, and as shown on survey prebared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.

6. Easements for minor encroachments as set forth by instruments filed for record under Harris County Clerk's File Nos. G196761, H749865 and H769728, and as noted on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.

SCHEDULE B (continued)

7. Easement granted to and agreement with Texas Cable Partners, L.P., as set forth in that certain memorandum recorded under County Clerk's File No. X639571 of the Real Property Records of Harris County, Texas and as shown on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.

8. The terms, conditions and stipulations of that certain Agreement for Underground Electric Service with Houston Lighting and Power Company filed for record under Harris County Clerk's File No. G129783, and as noted on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.

9. Terms, conditions and stipulations of those certain Lease Agreements, Memorandum of which are filed for record under Harris County Clerk's File Nos. K566204, P751521 and X055384.

10. A 1/8th non-participating Royalty Interest in all oil, gas and other minerals, as set forth by instruments recorded in Volume 8537, Page 321 and Volume 8537, Page 325 of the Deed Records of Harris County, Texas.

11. The following matters as shown on the plat recorded in Volume 287, Page 131, Map Records of Harris County, Texas:
    (1) 28' private streets
    (2) 20' building lines
    (3) 10' water line easements
    (4) 10' building lines
    (5) 10' x 20' water meter easements,
    and as shown on survey prepared by Fred W. Lawton, RPLS #2321, dated August 22, 2005.

12. Rights of tenants, as tenants only, under prior unrecorded leases if any.

13. Section 13 of the Conditions and Stipulations of this policy is hereby deleted.

Countersigned:

Authorized Signatory

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Office File Number	Policy Jacket Number	Date of Endorsement	Amount of Insurance	Type	Premium	Code	Rule
1 2105-01385	2 44-903-101-000679903	3 08-31-05	4	5 EN	6	9	

RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT

Attached to and made a part of Mortgagee Title Policy Number shown above dated August 31, 2005

ISSUED BY

CHICAGO TITLE INSURANCE COMPANY

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The existence at Date of Policy of any of the following:

   (a) Covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be divested, subordinated or extinguished, or its validity, priority or enforceability impaired.

   (b) Unless expressly excepted in Schedule B:

   (1) Present violations on the land of any enforceable covenants, conditions or restrictions, and any existing improvements on the land which violate any building setback lines shown on a plat of subdivision recorded or filed in the public records.

   (2) Any instrument referred to in Schedule B as containing covenants, conditions or restrictions on the land which, in addition, (i) establishes an easement on the land; (ii) provides a lien for liquidated damages; (iii) provides for a private charge or assessment; (iv) provides for an option to purchase, a right of first refusal or the prior approval of a future purchaser or occupant.

   (3) Any encroachment of existing improvements located on the land onto adjoining land, or any encroachment onto the land of existing improvements located on adjoining land.

   (4) Any encroachment of existing improvements located on the land onto that portion of the land subject to any easement excepted in Schedule B.

   (5) Any notices of violation of covenants, conditions and restrictions relating to environmental protection recorded or filed in the public records.

2. Any future violation on the land of any existing covenants, conditions or restrictions occurring prior to the acquisition of title to the estate or interest in the land by the Insured, provided the violation results in:

   (a) Invalidity, loss of priority, or unenforceability of the lien of the insured mortgage; or

-Continued-

IN WITNESS HEREOF, the CHICAGO TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

CHICAGO TITLE INSURANCE COMPANY

Authorized Countersignature

ENDORSEMENT
Restrictions, Encroachments, Minerals Endorsement
Texas Form T-19
Effective 4-4-2002

FOR INFORMATION, OR TO MAKE A COMPLAINT
CALL: 1-800-442-4303

CONTINUATION PAGE

CONTINUATION OF RESTRICTIONS, ENCROACHMENTS, MINERALS ENDORSEMENT (T-19)
Mortgagee Policy Number 44-903-101-000679903

(b) loss of title to the estate or interest in the land if the Insured shall acquire title in satisfaction of the indebtedness secured by the insured mortgage.

3. Damage to existing improvements, including lawns, shrubbery or trees:

(a) which are located on or encroach upon that portion of the land subject to any 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;

(b) resulting from the future exercise of any right to use the surface of the land for the extraction or development of minerals excepted from the description of the land or excepted in Schedule B.

4. Any final court order or judgment requiring the removal from any land adjoining the land of any encroachment excepted in Schedule B.

5. Any final court order or judgment denying the right to maintain any existing improvements on the land because of any violation of covenants, conditions or restrictions or building setback lines shown on a plat of subdivision recorded or filed in the public records.

Wherever in this endorsement the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants, conditions or limitations contained in an instrument creating a lease.

As used in paragraphs 1(b)(1) and 5, the words "covenants, conditions or restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

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ENDORSEMENT

GF# 679903

Attached to

Policy No. 44-903-101-000679903

Issued By
CHICAGO TITLE INSURANCE COMPANY

The insurance afforded by this endorsement is only effective if the land is used or is to be used primarily for residential purposes.

The Company insures the insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

(a) any environmental protection lien which, at the Date of Policy, is recorded in those records established under state statutes at the Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States district court for the district in which the land is located, except as set forth in Schedule B; or

(b) any environmental protection lien provided for by any state statute in effect at the Date of Policy, except environmental protection liens provided for by the following state statutes:

TEX. HEALTH & SAFETY CODE Section 361.194;
TEX. HEALTH & SAFETY CODE Section 342.007, 342.008;
TEX. LOCAL GOV'T CODE Section 214.001, 214.0015(b), (d), and (e); and
TEX. NATURAL RESOURCES CODE Section 134.150, if applicable.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsement, nor does it increase the face amount thereof.

IN WITNESS HEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

Dated: August 31, 2005

CHICAGO TITLE INSURANCE COMPANY

By: _____
President

Attest: _____
Secretary

_____
Authorized Countersignature

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ACCESS ENDORSEMENT

Attached to and made a part of Policy No. 44-903-101- 000679903
dated August 31, 2005

GF# 000679903

Issued By
CHICAGO TITLE INSURANCE COMPANY

The Company insures against loss or damage sustained by the Insured if, at Date of Policy: (i) the land does not abut and have both actual vehicular and pedestrian access to and from

BEECHNUT STREET

(the "Street") or (ii) the street is not physically open.

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 the terms and provisions of the policy and of any prior endorsements to it.

CHICAGO TITLE INSURANCE COMPANY

By: _____
President

Attest: _____
Secretary

_____
Authorized Countersignature

T23END 10/04 KMS

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transaction in c tion with which this policy was i ed, the Company sha specifically advise the insured of the reason for its dete ation. 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 to the estate 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 property 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. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, 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 adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter 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 and 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, 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 to the estate or interest or the lien of the insured mortgage, 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 hereunder, and shall not thereby concede liability or waive any provisions of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgement or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for that purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, 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 to the estate or interest or the lien of the insured mortgage, 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.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 91 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, 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. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, 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 proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by an authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by an authorized representative of the Company, all records, books, ledgers, checks, correspondence, and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by an 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 records, books, third party, which reasonably pertain to the loss or damage. All information designated as confident, the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgement of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. 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 or to Purchase Indebtedness.

(i) 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, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay; or

(ii) to purchase the indebtedness secured by the insured mortgage for the amount owing thereon together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of purchase and which the Company is obligated to pay.

If the Company offers to purchase the indebtedness as herein provided, the owner of the indebtedness shall transfer, assign, and convey the indebtedness and the insured mortgage together with any collateral security, to the Company upon payment therefor.

Upon the exercise by Company of either of the options provided for in paragraphs a(i) or (ii), all liability and obligations to the insured under this policy, other than to make the payment required in those paragraphs, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(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, together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company up to the time of payment and which 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, which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs 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.

7. 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 and only to the extent herein described.

(a) the liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A, or, if applicable, the amount of insurance as defined in Section 2(c) of these Conditions and Stipulations;

(ii) the amount of the unpaid principal indebtedness secured by the insured mortgage as limited or provided under Section 8 of these Conditions and Stipulations or as reduced under Section 9 of these Conditions and Stipulations, at the time the loss or damage insured against by this policy occurs, together with interest thereon; or

(iii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy at the date the insured claimant is required to furnish to Company a proof of loss or damage in accordance with Section 5 of these Conditions and Stipulations.

(b) In the event the insured has acquired the estate or interest in the manner described in Section 2(a) of these Conditions and Stipulations or has conveyed the title, then the liability of the Company shall continue as set forth in Section 7(a) of these Conditions and Stipulations.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. 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, or otherwise establishes the lien of the insured mortgage, all as insured, or takes action in accordance with Section 3 or Section 6, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall

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(b) In the event 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 therefrom, adverse to the title or to the lien of the insured mortgage, as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

(d) The Company shall not be liable for: (1) any indebtedness created subsequent to Date of Policy except for advances made to protect the lien of the insured mortgage and secured thereby and reasonable amounts expended to prevent deterioration of improvements; or (ii) construction loan advances made subsequent to Date of Policy, except construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the land, which at Date of Policy were secured by the insured mortgage and which the insured was and continued to be obligated to advance at and after Date of Policy.

9. REDUCTION OF INSURANCE:
REDUCTION OR TERMINATION OF LIABILITY

(a) All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto. However, any payments made prior to the acquisition of title to the estate or interest as provided in Section 2(a) of these Conditions and Stipulations shall not reduce pro tanto the amount of the insurance afforded under this policy except to the extent that the payments reduce the amount of the indebtedness secured by the insured mortgage.

(b) Payment in part by any person of the principal of the indebtedness, or any other obligation secured by the insured mortgage, or any voluntary partial satisfaction or release of the insured mortgage, to the extent of the payment, satisfaction or release, shall reduce the amount of insurance pro tanto. The amount of insurance may thereafter be increased by accruing interest and advances made to protect the lien of the insured mortgage and secured thereby, with interest thereon, provided in no event shall the amount of insurance be greater than the Amount of Insurance stated in Schedule A.

(c) Payment in full by any person or the voluntary satisfaction or release of the insured mortgage shall terminate all liability of the Company except as provided in Section 2(a) of these Conditions and Stipulations.

10. LIABILITY NONCUMULATIVE

If the insured acquires title to the estate or interest in satisfaction of the indebtedness secured by the insured mortgage, or any part thereof, it is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken on Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy.

11. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

12. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies that the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. 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 or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to all rights and remedies of the insured claimant after the insured claimant shall have recovered its principal, interest, and costs of collection.

(b) The Insured's Rights and Limitations.

Notwithstanding the foregoing, the owner of the indebtedness secured by the insured mortgage, provided the property of the lien of the insured mortgage or its enforceability is not affected, may release or substitute the personal liability of any debtor or guarantor, or extend or otherwise modify the terms of payment, or release a portion of the estate or interest from the lien of the insured mortgage, or release any collateral security for the indebtedness

When the permitted acts of the insured claimant occur and the insured has knowledge of any claim, title or interest adverse to the title to the estate or interest or the priority or enforceability of the lien of the insured mortgage, as insured, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's rights of subrogation.

(c) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

The Company's right of subrogation shall not be avoided by acquisition of the insured mortgage by an obligor (except an obligor described in Section 1(a)(ii) of these Conditions and Stipulations) who acquires the insured mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond and the obligor will not be an insured under this policy, notwithstanding Section 1(a)(i) of these Conditions and Stipulations.

13. ARBITRATION

Unless prohibited by applicable law or unless this arbitration section is deleted by specific provision in Schedule B of this policy, either the Company or the insured may demand arbitration pursuant to the Title Arbitration Rules or the American Arbitration Association. 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 of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is $1,000,000 or less SHALL BE arbitrated at the request of either the Company or the Insured, unless the insured is an individual person (as distinguished from a corporation, trust, partnership, association or other legal entity). All arbitrable matters when the Amount of Insurance is in excess of $1,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

14.LIABILITY LIMITED TO THIS POLICY:
POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provisions of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the lien of the insured mortgage or of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. SEVERABILITY

In the event any provision of this policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

16. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Chicago Title Insurance Company, Claims Department, 171 N. Clark, Chicago, Illinois 60601.

COMPLAINT NOTICE

Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the Company that issued the policy. If the problem is not resolved, you also may write the Texas Department of Insurance, P.O. Box 149091, Austin, TX 78714-9091, Fax No. (512) 475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL: 1-800-442-4303

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CHICAGO TITLE INSURANCE COMPANY

2001 BRYAN STREET, SUITE 1700, DALLAS, TEXAS 75201-3005
(214) 965-1722 FAX (214) 965-1645 email: KingTo@ctt.com

TONYA KING
Commercial Administrative Services Manager

October 21, 2005

Via Overnight Delivery

Martha Behringer
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, Txas 75201

Re: GF Number: 2105-01385 (679903) (LBW)
Lender: JP Morgan Chase Bank, N.A. to
Borrower: Dalcor Willow Meadow Apartments, Ltd.
Property: 12.3093 Acres, Harris County

Dear Ms. Behringer:

In connection with the above referenced transaction, please find enclosed a copy of the Mortgagee Policy of Title Insurance along with the following documents:

1. Copy of the recorded Deed of Trust and Security Agreement; and
2. Copy of the recorded Assignment of Leases and Rents; and
3. Original recorded Release of Lien.

We are still waiting on the original recorded documents from the County Clerk's office and the Texas Secretary of State and will forward upon receipt.

If you should have any questions or need anything further at this time, please do not hesitate to call me.

Sincerely,
CHICAGO TITLE INSURANCE COMPANY

Tonya King
Commercial Administrative Services Manager
TK/smv

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WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

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- **See Attached renewal of WM Apartments, Ltd. (previous reservation had expired since application)**
- **See attached note from Counsel regarding WM Genpar, LLC**

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Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF RESERVATION OF ENTITY NAME OF

WM Apartments, Ltd.

The undersigned, as Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

WM Apartments, Ltd.
5055 W Park Blvd, Suite 700 , Plano , TX 75093

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/14/2009

Hope Andrade
Secretary of State

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Randy Plitt

From: Martha Behringer [mbehringer@mcslaw.com]
Sent: Thursday, May 14, 2009 11:04 AM
To: Randy Plitt
Cc: Mack Strother
Subject: RE: Name Reservation
Attachments: WM Apartments Reservation 05.14.09.PDF

Randy - here's the renewed name reservation for WM Apartments, Ltd. The Secretary of State told me not to reserve WM Apartments Genpar. Since WM Apartments Ltd. is already reserved, no one else can use "WM Apartments" without your approval.

Martha Behringer
Paralegal
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, TX 75201
Direct: 214 954 6837
Fax: 214 954 6868
E-mail: mbehringer@mcslaw.com

From: Martha Behringer
Sent: Thursday, May 14, 2009 9:22 AM
To: 'Randy Plitt'
Cc: Mack Strother
Subject: RE: Name Reservation

Hi Randy - I don't see where we did a reservation for WM Apartments Genpar LLC (which I assume will be the general partner of WM Apartments Ltd), so I'll go ahead and reserve that name. Also the name reservation for WM Apartments, Ltd. has expired. It was reserved on Jan 6 for 120 days (which in my head was for 6 months when I should have been thinking 4 months). Can I assume you want that name reserved again.

Martha Behringer
Paralegal
McGuire Craddock & Strother, PC
500 N. Akard, Suite 3550
Dallas, TX 75201
Direct: 214 954 6837
Fax: 214 954 6868
E-mail: mbehringer@mcslaw.com

From: Randy Plitt [mailto:rplitt@dalcorcompanies.com]
Sent: Thursday, May 14, 2009 8:59 AM
To: Martha Behringer
Subject: Name Reservation

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WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

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- **Authorization to Release Credit Information [missing pages]**
- **Affidavits of No Assets**

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Affidavit of No Assets – WM Apartments, Ltd.
Willow Meadow Place Apartments

WM Apartments, Ltd. is a to be formed Texas Limited Partnership and as such does not have any assets or liabilities

M. Dale Dodson,
Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member of General Partner.

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

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Affidavit of No Assets – WM Apartments Genpar, LLC
Willow Meadow Place Apartments

WM Apartments, LLC. is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities

M. Dale Dodson,
Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

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Affidavit of No Assets – Dalcor Affordable, LLC
Willow Meadow Place Apartments

Dalcor Affordable Housing, LLC is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

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WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

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- **Identity of Interest [missing pages]**

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Volume 3, Tab 6, Part C – Acquisition of Existing Building
WILLOW MEADOW PLACE APARTMENTS
TDHCA Development Number 09128
TAX CREDIT DEVELOPMENT

DALCOR AFFORDABLE HOUSING, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS 75093
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Willow Meadow Place Apartments was originally purchased on 7/31/1998 by HT Apartments Limited Partnership (see attached Special Warranty Deed) along with five other apartment communities. The General Partner was HT Genpar, Ltd. and the 99% Limited Partner was Dalcor Realty, LLC.

On July 31, 2002 Willow Meadow Place Apartments, in conjunction with a refinancing was transferred to Dalcor Willow Meadow Apartments, Ltd. (see attached Special Warranty Deed); the new first mortgage lender demanded a single asset partnership.

The Owners of HT Apartments Limited Partnership and Dalcor Willow Meadow Apartments, Ltd. are the same; see attached Organization Chart and partnership agreement evidence.

The original purchase price is indicated on the Purchaser's allocation (attached)

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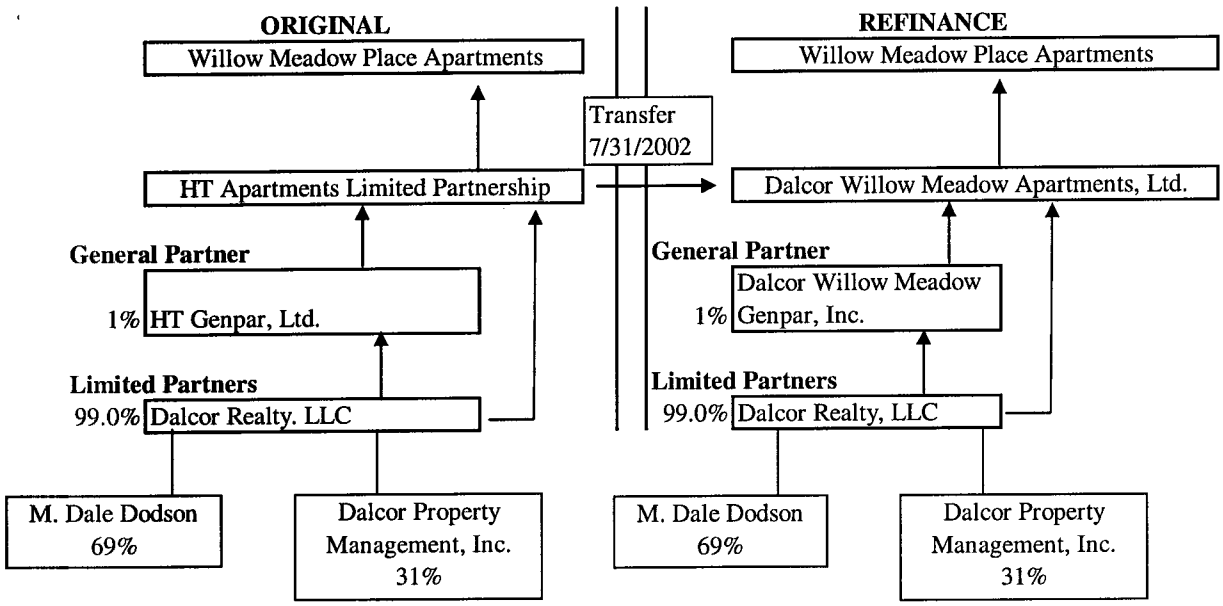
Willow Meadow Place Apartments



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T177464

SPECIAL WARRANTY DEED

07/31/98 100816537 T177464 $65.00

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

THAT WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership (herein called "Grantor"), for and in consideration of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable cash consideration to Grantor in hand paid and caused to be paid in the manner hereinafter stated by HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (herein called "Grantee"), whose mailing address is 3627 North Josey Lane, Carrollton, Texas 75007, the receipt and sufficiency of which are hereby acknowledged, has, subject to those matters set forth in Exhibit "B" hereto, GRANTED, SOLD and CONVEYED and by these presents does hereby GRANT, SELL and CONVEY unto Grantee the real property in Harris County, Texas, the real property being more particularly described in Exhibit "A" attached hereto, together with all improvements, rights, easements, hereditaments and appurtenances thereto (the "Property").

For the same consideration recited above, Grantor hereby GRANTS, SELLS and CONVEYS without warranty, express or implied, all interest, if any, of Grantor in (i) strips or gores, if any, between the Property and abutting or immediately adjacent properties, and (ii) any land lying in or under the bed of any street, alley, road or right-of-way, opened or proposed, abutting or immediately adjacent to the Property.

THIS CONVEYANCE IS MADE SUBJECT TO those matters set forth on Exhibit "B" attached hereto and incorporated herein for all purposes.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, subject to those matters set forth in Exhibit "B", unto Grantee, Grantee's heirs, personal representatives, successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's heirs, personal representatives and successors, to warrant and forever defend all and singular the Property, subject, however, as aforesaid, to those matters set forth in Exhibit "B" unto Grantee, Grantee's heirs, personal representatives, successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Grantor is conveying, and Grantee is accepting, the Property in its "AS-IS", "WHERE-IS" condition, "WITH ALL FAULTS". Except as set forth in the Earnest Money Contract dated July 24, 1998 between Grantor and Grantee, no warranties, express or implied, are given by Grantor with respect to the Property, other than the special warranty of title set forth herein.

Grantee, by its acceptance hereof, does hereby assume and agree to pay all ad valorem taxes pertaining to the Property for the calendar year 1998 and subsequent years, there having been a proper proration of same between Grantor and Grantee.

Return to
Alamo Title Company
Title Agency Division
5251 Westheimer, Suite 200
Houston, Texas 77056
98126976 1

237447 WJL 103871 00004 7/28/98

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EXECUTED and DELIVERED as of the 31st day of July, 1998.

GRANTOR:

WESTCHASE MULTIFAMILY, L.P.,
a Delaware limited partnership

By: MDS RREFCO, Inc.
Its General Partner

By: Karin Shewer
Karin Shewer, Vice President

STATE OF ~~TEXAS~~ New York §
§ New York
COUNTY OF ~~HARRIS~~ New York §

This instrument was acknowledged before me on the 29th day of July, 1998, by Karin Shewer, Vice President of MDS RREFCO, Inc., a corporation, the General Partner of WESTCHASE MULTIFAMILY, L.P., a Delaware limited partnership, on behalf of said limited partnership.

KAREN A. McGRANE
Notary Public, State of New York
No. 4908407
Qualified in Nassau County
Certificate Filed in New York County
Commission Expires October 19, 1999

Karen A. McGrane
Notary Public

WHEN RECORDED, RETURN TO:
Alamo Title Company
5251 Westheimer, Suite 200
Houston, Texas 77056
Attention: Mr. Lucky Long
713-966-4040
GF No. 9821269761 - Chestnut Apartments
GF No. 9821269762 - The Meadows Apartments
GF No. 9821269763 - Shadow Creek Apartments
GF No. 9821269764 - Spring Meadows Apartments
GF No. 9821269765 - Walnut Bend Apartments
GF No. 9821269766 - Willow Meadow Apartments

PREPARED IN THE OFFICE OF:
Greg Savage
Hoover, Bax & Slovacek, L.L.P.
5847 San Felipe, Suite 2200
Houston, Texas 77056
713-977-8686

TDHCA RCVD 5/14/09 15:37

Willow Meadow
02R12802

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS §

That HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantor"), for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration to it in hand paid by DALCOR WILLOW MEADOW APARTMENTS, LTD., a Texas limited partnership (hereinafter, whether one or more, referred to as "Grantee"), the receipt and sufficiency of which are hereby acknowledged and confessed, and upon and subject to the exceptions, liens, encumbrances, terms and 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 described on Exhibit "A" which is attached hereto and made a part hereof for all purposes, together with all and singular the rights, benefits, privileges, easements, tenements, hereditaments and appurtenances thereon or in anywise appertaining thereto, and together with all improvements located thereon and any right, title and interest of Grantor in and to adjacent streets, alleys and rights-of-way (said land, rights, benefits, privileges, easements, tenements, hereditaments, appurtenances, improvements and interests being hereinafter referred to as the "Property").

This conveyance is made subject and subordinate to all matters of record affecting the Property (the "Permitted Exceptions") which are attached hereto on Exhibit "B" and made a part hereof for all purposes, but only to the extent that they affect or relate to the Property.

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, as aforesaid, unto Grantee, its heirs, executors, legal representatives, successors and assigns, forever; and Grantor does hereby bind itself, its heirs, executors, legal representatives, successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its heirs, executors, legal representatives, successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, this Special Warranty Deed has been executed by Grantor to be effective as of the 31 day of July, 2002.

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CERTIFICATE OF GENERAL PARTNER OF HT APARTMENTS LIMITED PARTNERSHIP

The undersigned, the sole General Partner of HT APARTMENTS LIMITED PARTNERSHIP, a Texas limited partnership (the "Partnership"), hereby certifies as follows:

(1) Attached hereto as Exhibit "A" is a true and correct copy of the Agreement of Limited Partnership of the Partnership which Agreement has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(2) Attached hereto as Exhibit "B" is a true and correct copy of the Certificate of Limited Partnership of the Partnership, which Certificate has not been amended (except as reflected in any attachments hereto) or revoked and is now in full force and effect;

(3) As of the date hereof (a) the Partnership has not been dissolved or terminated and no proceeding for dissolution or termination is contemplated, and (b) no default or event which with the lapse of time or the giving of notice or both has occurred under the Agreement of Limited Partnership of the Partnership; and

(4) The Unanimous Written Consent attached hereto as Exhibit "C" has not been amended or revoked and remains in full force and effect as of the date hereof.

EXECUTED as of July 31, 1998.

HT APARTMENTS GENPAR, LTD., a Texas limited partnership

By: HT APARTMENTS I CORPORATION,
a Texas Corporation, its
sole General Partner

By: M. Dale Dodson
M. Dale Dodson
President

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LIMITED PARTNERSHIP AGREEMENT

FOR

HT APARTMENTS LIMITED PARTNERSHIP

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 1998, by and among HT Apartments Genpar, Ltd., a Texas limited partnership, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is HT Apartments Limited Partnership. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 3627 N. Josey, Carrollton, Texas 75007, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of the real estate projects listed on Exhibit "B" (collectively, the "Property") and such activities as are necessary, incidental or appropriate in connection therewith.

TDHCA RCVD 5/14/09 15:37

EXECUTED to be effective as of the date first set forth above.

NAME OF PARTNER:

ADDRESS:
3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#
75-2774227

GENERAL PARTNER:

HT APARTMENTS GENPAR, LTD., a Texas limited partnership

By: HT Apartments I Corporation, a Texas corporation, its sole General Partner

By: M. Dale Dodson
M. Dale Dodson, President

LIMITED PARTNER:

ADDRESS:
3627 N. Josey Lane
Carrollton, Texas 75007

U.S. TAXPAYER I.D.#
75-2514070

DALCOR REALTY L.L.C., a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

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EXHIBIT "A"
TO
LIMITED PARTNERSHIP AGREEMENT
OF
HT APARTMENTS LIMITED PARTNERSHIP

PARTNERSHIP INTERESTS; INITIAL CONTRIBUTIONS

NAME	INTEREST	INITIAL CONTRIBUTION
General Partner	1%	$1,419
Dalcor Realty, L.L.C.	99%	$140,481
TOTAL	100%	$141,900

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LIMITED PARTNERSHIP AGREEMENT

FOR

DALCOR WILLOW MEADOW APARTMENTS, LTD.

This Limited Partnership Agreement (the "Agreement") is made and entered into effective the 31st day of July, 2002, by and among Dalcor Willow Meadow Genpar, Inc., a Texas corporation, as general partner ("General Partner"), and those persons listed on Exhibit "A" attached hereto as limited partners (whether one or more, the "Limited Partners") (collectively, the "Partners").

ARTICLE I

FORMATION

1.01. Formation. For and in consideration of the mutual covenants herein contained, the Partners hereby form a limited partnership (the "Partnership") under the Texas Revised Limited Partnership Act (the "Act") for the limited purposes and upon the terms, provisions and conditions hereinafter set forth. The General Partner shall promptly execute and file with the proper offices in each jurisdiction in which the Partnership conducts business such certificates as are required by the Act or other applicable partnership laws, or by any fictitious name act or assumed name act in effect in that jurisdiction. The General Partner is hereby authorized and empowered by the Limited Partners to prepare, file, and publish the original and any amended or modified Certificates of Limited Partnership as may be necessary or desirable and the Limited Partners specifically designate and appoint the General Partner for and on their behalf as their attorney for the exclusive purposes of signing and attesting to such original and amended Certificates of Limited Partnership.

1.02. Partnership Name. The name of the Partnership is Dalcor Willow Meadow Apartments, Ltd. The activities and business of the Partnership shall be conducted under the name of the Partnership, and such other names as the General Partner may designate in notice to the Limited Partners from time to time.

1.03. Place of Business. The principal office of the Partnership shall be 15601 Dallas Parkway, Suite 550, Addison, Texas 75001, or such other location as may be designated by the General Partner from time to time, with notice to the Limited Partners, subject to the restriction contained in Section 5.04, below.

1.04. Purpose. The Partnership's business and purpose shall consist solely of the acquisition, ownership, operation and management of Willow Meadow Apartments located at 10630 Beechnut Street, Houston, Harris County, Texas (the "Property") and such activities as are necessary, incidental or appropriate in connection therewith. Notwithstanding anything else herein to the contrary, the Partnership shall conduct no business other than that described in the previous sentence.

TDHCA RCVD 5/14/09 15:37

defined therein), and shall only constitute a claim against the Partnership to the extent of, and shall be paid by the Partnership in monthly installments only from, the excess of net operating income for any month over all amounts then due under the Security Instrument and the other Loan Documents.

5. This Amendment may be executed in one or more counterparts.

EXECUTED to be effective as of the date described in Recital D, above.

GENERAL PARTNER

DALCOR WILLOW MEADOW GENPAR, INC.,
a Texas corporation

By: M. Dale Dodson
M. Dale Dodson, President

Date: 8-29-05

LIMITED PARTNER

DALCOR REALTY, L.L.C.,
a Texas limited liability company

By: M. Dale Dodson
M. Dale Dodson, Manager

Date: _____

CLASS B LIMITED PARTNER

JENKINS & COMPANY, INC.,
a Texas corporation

By: _____
Name: John Jenkins
Title: Pres.

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EXHIBIT C

Limited and General Partners and Ownership Percentages

Dalcor Willow Meadow Genpar, Inc.	1%
Dalcor Realty, LLC	99%

Class B Limited Partner

Jenkins Co., Inc.	100%

HT APARTMENTS LIMITED PARTNERSHIP
CLOSING STATEMENTS
JULY 31, 1998

	ACCT #	HT	TOTAL	Chestnut Park	Meadows	Shadow Creek	Spring Meadows	Walnut Bend	Willow Meadow Pl
Asset Cost			72,860,000.00	14,571,000.00	16,635,000.00	8,131,000.00	7,309,000.00	18,173,000.00	7,841,000.00
Additional Asset Costs:									
Title Ins–Alamo Title		6,067.00							
Recording Fees		275.00							
Maint Transfer Fee NW to TX Comm Mgmt		100.00							
Survey – So TX Surveying Assoc		1,200.00							
Due Diligence Fee–Dalcor		37,000.00							
Total Add'l Asset Costs		44,642.00							
Spread Add'l Asset Costs (Purch Price)		(44,642.00)	44,642.00	8,928.00	10,315.00	4,982.00	4,478.00	11,135.00	4,804.00
NET ASSET COST	#1520		72,904,642.00	14,579,928.00	16,645,315.00	8,135,982.00	7,313,478.00	18,184,135.00	7,845,804.00
Financing Costs:									
Atty Fees–Windels,		46,500.00							
Atty Fees–McGuire (2/3)		17,500.00							
Dalcor pd Lehman		25,000.00							
Fee–Share & Blejas		3,500.00							
Fee–Holliday Fenoglio		310,600.00							
	#1550	403,100.00	LEAVE ON PARTNERSHIP BOOKS						
Organizational Costs:									
1/3 Attny Fees McGuire	#1540	8,750.00	LEAVE ON PARTNERSHIP BOOKS						
Security Deposit Cash	#1040	320,662.00	LEAVE ON PARTNERSHIP BOOKS						
Reserve Cash–Hatfield Phillips	#1350		1,039,400.00	265,700.00	103,500.00	80,200.00	96,400.00	125,000.00	368,600.00
Insurance Escrow	#1310		39,785.00	7,952.00	9,188.00	4,438.00	3,989.00	9,919.00	4,279.00
Tax Escrow	#1310		781,952.22	157,427.00	178,242.00	96,726.00	77,918.00	198,130.00	73,509.22
Cash–Dalcor–Operating Funds	#1020	114,826.35							
Cash–Dalcor–Utility Deposits	#1020	141,900.00							
Property Tax Liability	#2210		(781,952.22)	(157,427.00)	(178,242.00)	(96,726.00)	(77,918.00)	(198,130.00)	(73,509.22)
Mortgage Note Payable	#3020		(74,480,000.00)	(14,950,190.00)	(17,068,464.00)	(8,275,512.00)	(7,463,876.00)	(18,439,386.00)	(8,272,572.00)
Security Deposit Liability	#2310		(320,662.00)	(85,939.00)	(71,487.00)	(41,712.00)	(32,250.00)	(87,457.00)	(21,817.00)
Prepaid Rent	#2030		(31,722.00)	(14,240.00)	(6,400.00)	(732.00)	(7,291.00)	(2,158.00)	(901.00)
Capital (Equity–net)	#4110	(141,900.00)							
Capital (Fee pd Lehman)	#4110	(25,000.00)	LEAVE ON PARTNERSHIP BOOKS						
Prepaid Insurance (Down) (P&L)	#1410		16,878.65	3,375.31	3,899.94	1,883.75	1,693.17	4,210.22	1,816.26
Prepaid Insurance (Flood Ins)	#1410		9,280.00	9,280.00					
Delivery/Courier–Chicago Title	#8540		80.00	13.33	13.34	13.33	13.33	13.34	13.33
Due to/from HT		(822,338.35)	822,338.35	194,120.36	184,434.72	95,438.92	87,843.50	185,723.44	74,777.41
		0.00	(0.00)	(0.00)	0.00	(0.00)	0.00	0.00	0.00

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WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 4, Tab 16

- **Green Building Initiatives [Amended]**

Volume 4, Tab 16 (§49.9(i)(17))
Green Building Initiatives

Application may qualify to receive up to 6 points for providing green building amenities. Points for this section may not be requested for the same items utilized for points under Threshold Amenities. Developments proposing Rehabilitation will receive 1.5 times the point value for any selected amenity **(do not round)**. Developments involving non-contiguous scattered sites must include a separate onsite amenities form for each separate site. Each separate form must have the address of the site clearly indicated.

Green Building Amenities (indicate which below)

☐ (-a-) evaporative coolers (for use in designated counties listed in the Application Materials, 2009 Housing Tax Credit Site Demographics Information) (1 point)

☐ (-b-) passive solar heating/cooling (3 points maximum)

☐Two points for completing both of the following:
(-1-). The glazing area on the north- and south-facing walls of the building is at least 50% greater than the sum of the glazing area on the east- and west- facing walls; and
(-2-). The east-west axis of the building is within 15 degrees of due east-west

☐One point for completing all of the following:
(-1-). In addition to the east-west axis of the building oriented within 15 degrees of due east-west, utilize a narrow floor plate (less than 40 feet), single loaded corridors and open floor plan to optimize daylight penetration and passive ventilation (note: to qualify for this particular point, application must also implement building orientation option b. above) ; and
(-2-). 100% of HVAC condenser units are shaded so they are fully shaded 75% of the time during summer months (May through August); and
(-3-). Solar screens or solar film on all East, West, and South Windows with building oriented to east-west axis within 15 degrees of due east-west, west-south axis within 15 degrees of due west-south, and south-east axis within 15 degrees of due south-east.

☐ (-c-) water conserving features (2 points maximum, 1 point for each):

☐Install low-flow toilets using less than or equal to 1.6 gallons per flush, or high efficiency toilets using less than or equal to 1.28 gallons per flush; and/or

☐Install bathroom lavatory faucets and showerheads that do not exceed 2.0 gallons per minute and kitchen faucets that do not exceed 1.5 gallons per minute. This applies to all fixtures throughout the development. Rehabilitation projects may choose to install compliant faucet aerators instead of replacing entire faucets.

☐ (-d-) solar water heaters (Solar water heaters designed to provide at least 25% of the average energy used to heat domestic water throughout the entire development.) (2 points);

☐ (-e-) irrigation and landscaping (must implement both of the following) (2 points)
(-1-). Collected water (at least 50%) for irrigation purposes; and
(-2-). selection of native trees and plants that are appropriate to the site's soils and microclimate and locate then to allow for shading in the sumer and allow for heat gain in the winter

☐ (-f-) sub-metered utility meters (2 points maximum);

☐Sub-metered utility meters on rehab project without existing sub-meters or new construction senior project (2 points); or

☐Sub-metered utility meters on new construction project (excluding new construction senior project) (1 point)

(list continues)

☐ (-g-) energy efficiency (4 points maximum);

☐ Energy Elements (must implement i-iii) (3 points)
(i) Energy-Star qualified windows and glass doors; and
(ii) Exterior envelope insulation, vapor barriers and air barriers greater than or equal to Energy Star air barrier and insulation criteria; and
(iii) HVAC, domestic hot water heater, and insulation that exceeds Energy Star standards or exceeds the IRC 2006; or

☐ The project promotes energy efficiency by meeting the requirements of Energy Star for Homes by either complying with the appropriate builder option package or a HERS score of 85 (4 points)

☐ (-h-) thermally and draft efficient doors (SHGC of 0.40 or lower and U-value specified by climate zone according to the 2006 IECC) (2 points);

☐ (-i-) photovoltaic panels for electricity and design and wiring for the use of such panels (3 points maximum);

☐ Photovoltaic panels that total 10 kW (1point); or

☐ Photovoltaic panels that total 20 kW (2 points); or

☐ Photovoltaic panels that total 30 kW (3 points)

☒ (-j-) construction waste management and implementation of EPA's Best Management Practices for erosion and sedimentation control during construction (1 point);

☐ (-k-) recycling service provided throughout the compliance period (1 point);

☐ (-l-) water permeable walkways (at least 20% of walkways and parking) (1 point); or

☐ (-m-) bamboo flooring, wool carpet, linoleum flooring, straw board, poplar OSB, or cotton batt insulation (50% of flooring on the ground floor of the development must be finished concrete and/or ceramic tile. 50% of the flooring on upper floors must be ceramic tile and/or a flooring material that is Floor Score Certified (developed by the Resilient Floor Covering Institute), applied with a Floor Score Certified adhesive and comes with a minimum 7-year wear through warranty. (2 points)

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WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 4, Tab 21

- **List of closest bus stops provided by Metropolitan Transit Authority of Harris County, Houston, Texas [supplemental information]**

Metropolitan Transit Authority of Harris County, Houston, Texas
METRO
Going Places

SCHEDULES & MAPS
Trip Planner

trip planner
bus schedules
commuter service
rail map and schedule
park & ride locations

Plan Yo
Schedu
Locatio
Help

LOCATION LOOKUP

Stop Search - Results

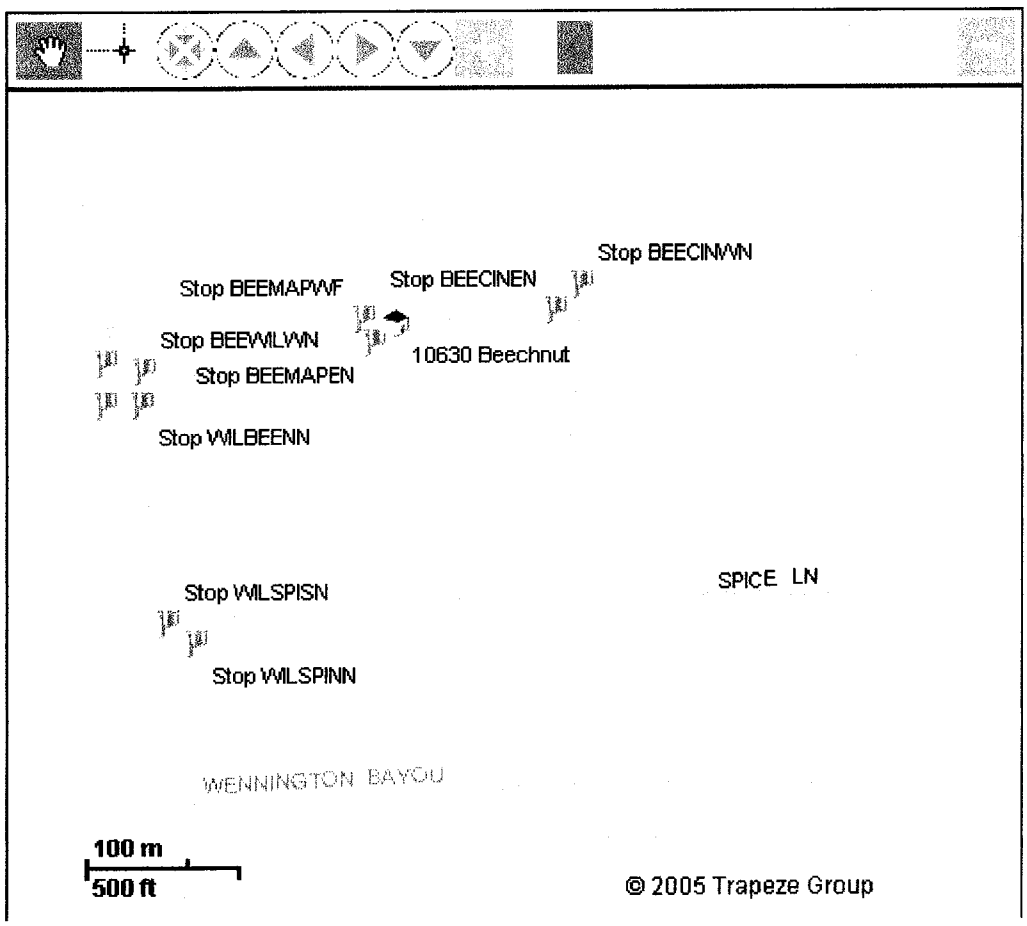
The closest stop to 10630 BEECHNUT ST, HOUSTON, 77072 is:

BEECHNUT ST @
MAPLECREST DR
Approximate Distance: 0.019
miles.

view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here



TDHCA RCVD 5/14/09 15:37

Other stops nearby include:

BEECHNUT ST @ MAPLECREST DR
Approximate Distance: 0.019 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

BEECHNUT ST @ CINNAMON LN
Approximate Distance: 0.099 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

BEECHNUT ST @ CINNAMON LN
Approximate Distance: 0.119 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

BEECHNUT ST @ WILCREST DR
Approximate Distance: 0.159 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

WILCREST DR @ BEECHNUT ST
Approximate Distance: 0.166 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

WILCREST DR @ BEECHNUT ST
Approximate Distance: 0.182 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

BEECHNUT ST @ WILCREST DR
Approximate Distance: 0.188 miles.
view routes

TDHCA RCVD 5/14/09 15:37

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

WILCREST DR @ SPICE LN
Approximate Distance: 0.235 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

WILCREST DR @ SPICE LN
Approximate Distance: 0.236 miles.
view routes

Go **Plan** a trip **from** here

Go **Plan** a trip **to** here

TDHCA RCVD 5/14/09 15:37

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Volume 4, Tab 27

- **Affidavits of Removal by Lender or Equity provider**

TDHCA RCVD 5/14/09 15:37

Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
WM Apartments, Ltd.

WM Apartments, Ltd. has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC, sole member of General Partner

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
WM Apartments Genpar, LLC

WM Apartments Genpar, LLC has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC, sole member

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
Dalcor Affordable Housing, LLC

Dalcor Affordable Housing, LLC has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
M. Dale Dodson

M. Dale Dodson has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

M. Dale Dodson,
Co-Manager of Dalcor Affordable Housing, LLC

By: M. Dale Dodson 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl
Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TDHCA RCVD 5/14/09 15:37

Affidavit of Removal by Lender or Equity Provider
Willow Meadow Place Apartments
John Jenkins

John Jenkins has not been removed by a lender, equity provider or limited partners in the past five years under any circumstances.

John Jenkins
Co-Manager of Dalcor Affordable Housing, LLC

Date: 2/26/2009

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

Notary Public Signature

5/25/2011
Commission Expires

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

09128

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Sonny Flores
Juan S. Muñoz, Ph.D.

May 19, 2009

Mr. M. Dale Dodson
WM Apartments, Ltd.
5055 W. Park Blvd, Ste 700
Plano, Texas 75093
Telephone: (972) 769-2002
Facsimile: (972) 769-2004

Re: Application #09128, Willow Meadow Place Apartments

Dear Mr. Dodson,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on May 14, 2009, regarding your request that our application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- As Unit Floor Plans, you submitted what appears to be a copy of the unit layouts from a rental brochure. These do not meet the requirements of the QAP as they do not include legible dimensions and a scale. Further, the depictions do not include the A3, 633 square foot Units and the B1 804 square foot Units are shown as 2 bedroom, 1 ½ bathroom Units when they have just one bathroom. Finally, the depictions for the B3 1,024 square foot Unit and the C1 1,164 square foot are incomplete.
- You did not submit a letter of zoning from the local political subdivision stating the zoning status of the Development.
- You did not submit a certificate of name reservation for WM Apartment Genpar, LLC.
- You did not submit a financial statement or a statement of no assets for WM Apartment Genpar, LLC.
- You did not submit an executed settlement statement or the seller's most recent audited financials.

My review of the Application confirms staff's determination that this Application has violated §49.5(a)(10) of the 2009 QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the May 21, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on May 20, 2009 to be placed with the May 21, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

09128

Board Appeal Documents

TDHCA RCVD 5/14/09 15:37

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: M. Dale Dodson

DALCOR

Via Email

Sharon D. Gamble
Texas Department of Housing and Community Affairs
Multifamily HTC Program Administrator
Austin, Texas

Re: Willow Meadow Place – 09128

Dear Ms. Gamble:

Pursuant to our telephone conversation we want to appeal to the Department's Board at their June meeting.

We erroneously believed we had provided adequate documentation and evidence to support our application. Therefore, attached is all of the information and documentation we were told was missing or improper.

There should be a .pdf file attached with the following bookmarks as well as a duplicate of this letter:

- **Floor Plans** – While we believed the floor plans previously submitted provided adequate support given there are not any planned alterations to the property or individual unit configurations, nevertheless, the attached floor plans show dimensions and scale.
- **Zoning Letter** – As the City of Houston does not have a zoning ordinance we believed an affidavit was sufficient; attached is a letter from the Director of Planning and Development Department for the City of Houston.
- **Certificate of Name Reservation** – While the office of the Secretary of State (Texas) told us we did not need to reserve the name of WM Apartments Genpar, LLC, we now realize that the TDHCA requires it; attached therefore, is the name reservation.
- **Affidavit of No Assets for WM Apartments Genpar, LLC** – As we discussed on the telephone this affidavit was not in your document and you page numbers were somewhat different than our copy. Attached is the affidavit (it should be on page 11).
- **Seller's/Buyer's Closing Statements** – As Willow Meadow Place was part of a portfolio purchase, we mistakenly believed that the closing statements did not provide adequate information relative to the original purchase price so we submitted the purchase price allocation as well as deed information. Attached are the two closing statements as additional support of the purchase price.

Thank you for your help in this matter and please call if there are further questions or some documents did not translate via email.

Sincerely,

Randy Plitt

Rec'd TDHCA 6/3/2009

5055 W. Park Boulevard, Suite 700 • Plano, Texas 75093 • 972-769-2002 • FAX 972-769-2004

WILLOW MEADOW PLACE APARTMENTS
TAX CREDIT DEVELOPMENT

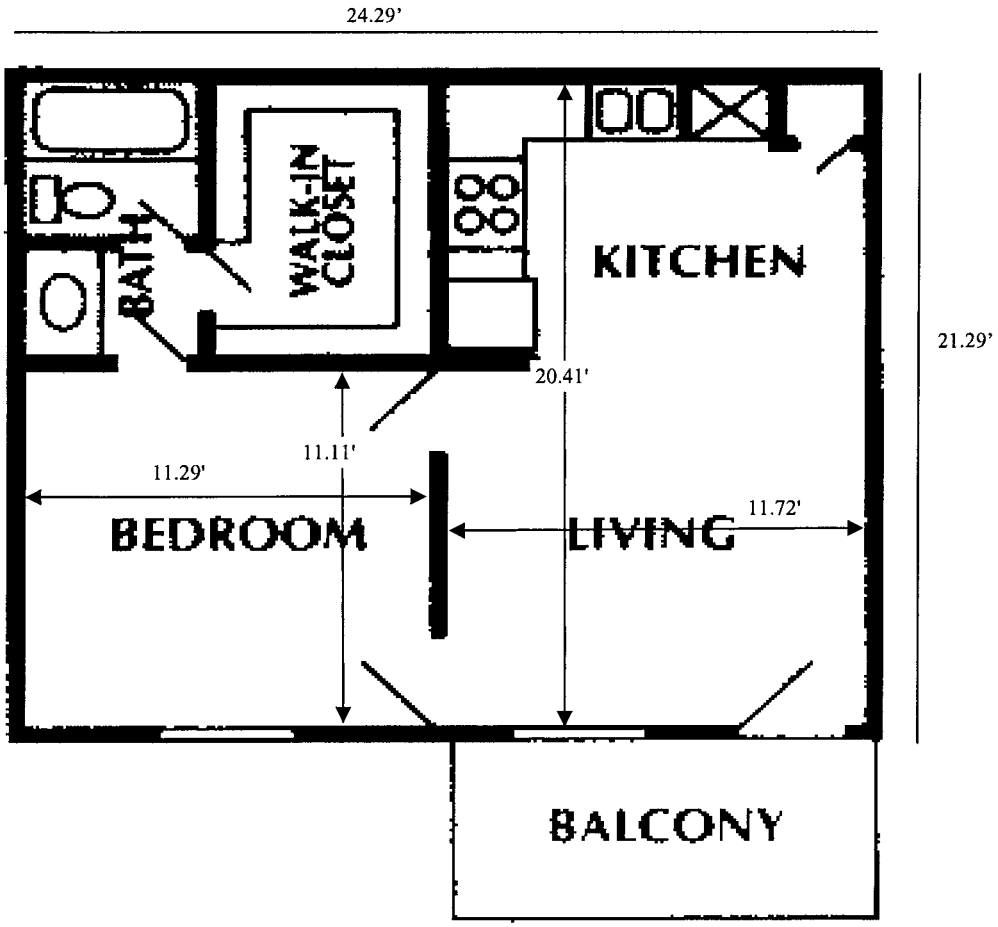
DALCOR REALTY, LLC
M. DALE DODSON
RANDY PLITT
5055 W. PARK BLVD., SUITE 700
PLANO, TEXAS
PHONE: 972-769-2002
FACSMILE: 972-769-2004
M. Dale Dodson ddodson@dalcorcompanies.com
Randy Plitt rplitt@dalcorcomanies.com

Supplemental Information

- **Floor Plans**
- **Letter of Zoning from Director of Planning & Development**
- **Certificate of Name Reservation of WM Apartments Genpar, LLC**
- **Affidavit of No Assets for WM Apartments Genpar, LLC**
- **Seller's/Buyer's Closing Statement**

Willow Meadow Place Apartments

Floor Plans



A1

One Bedroom, One Bath
Approximately 510 square feet

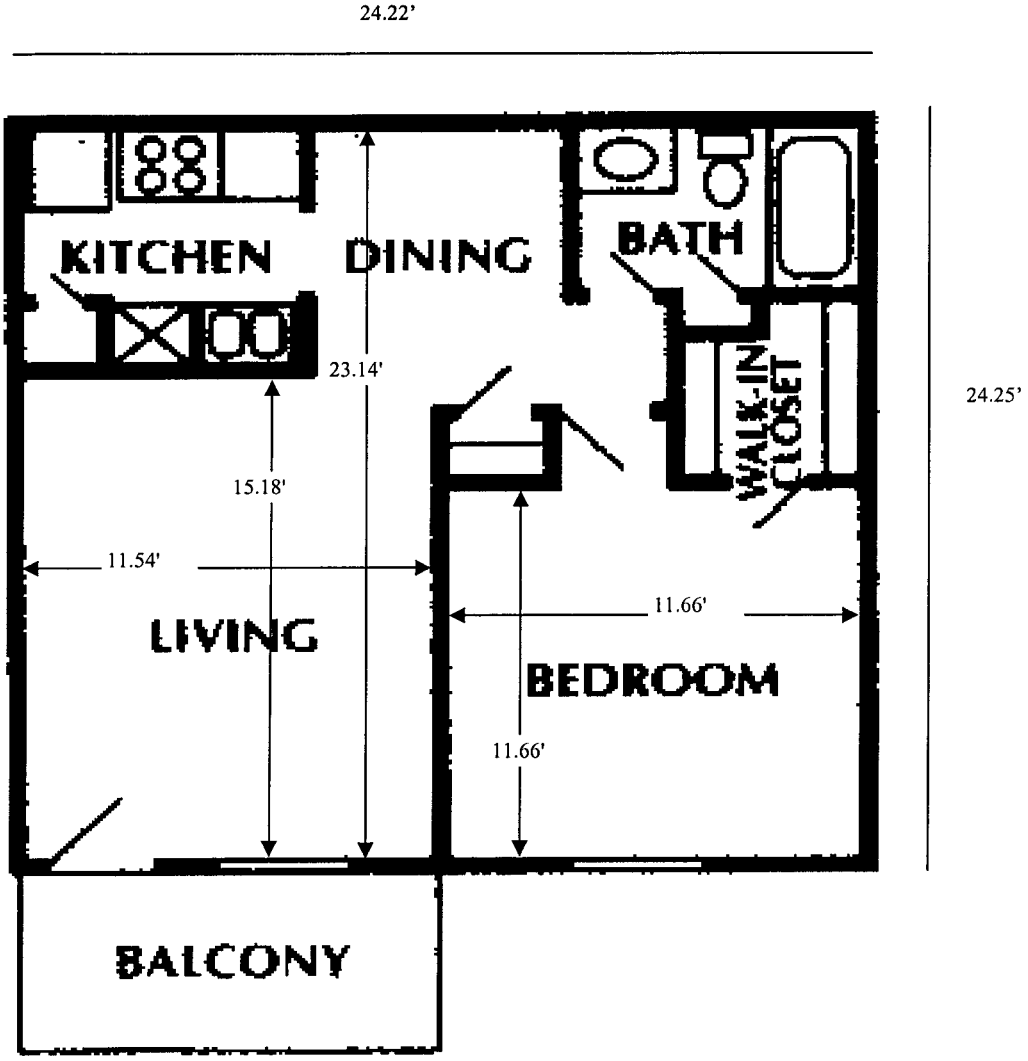
Scale:

3.47 feet

No. of units - 32

Willow Meadow Place Apartments

Floor Plans



A2 One Bedroom, One Bath
Approximately 581 square feet

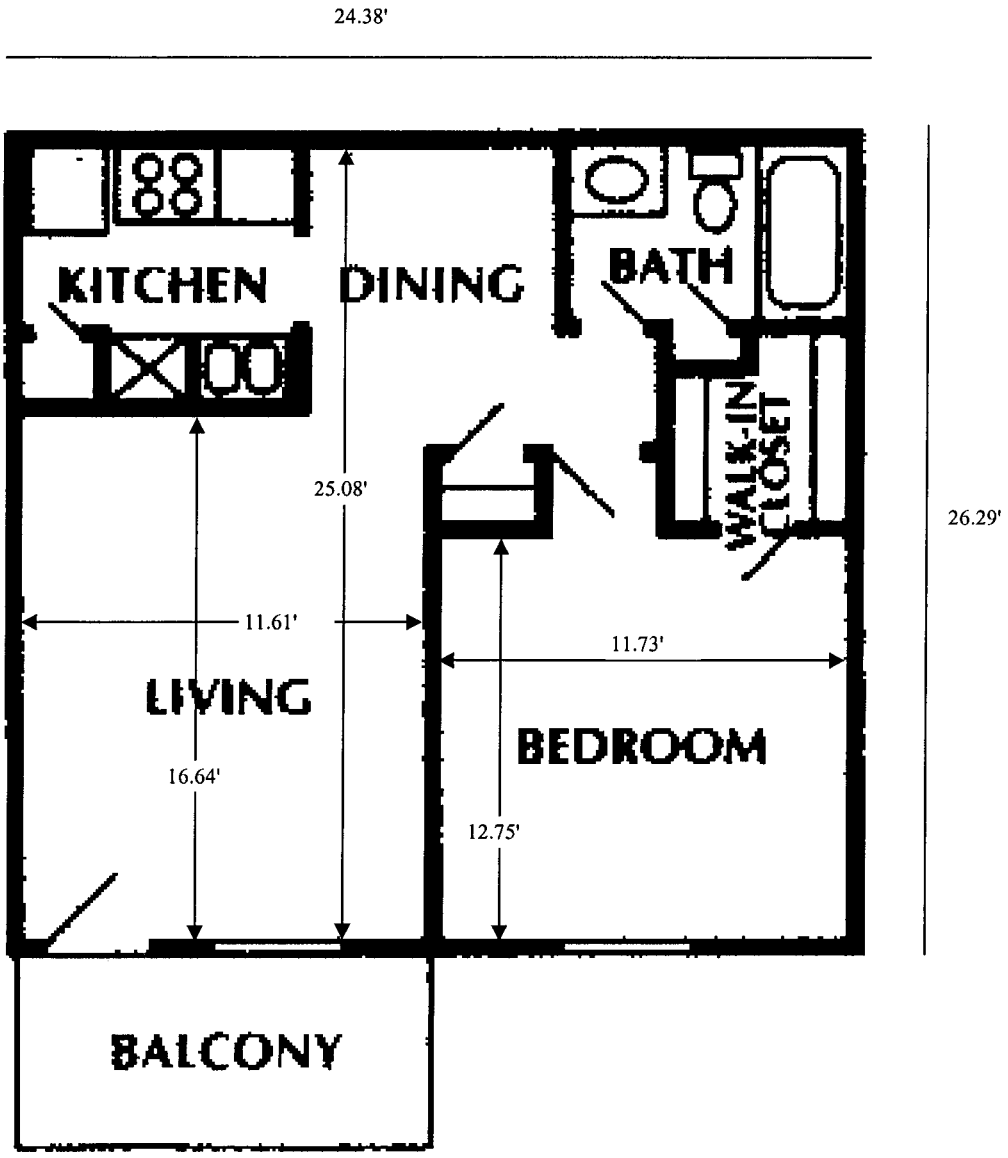
Scale:

3.47 feet

No. of units - 88

Willow Meadow Place Apartments

Floor Plans



A3 One Bedroom, One Bath
Approximately 633 square feet

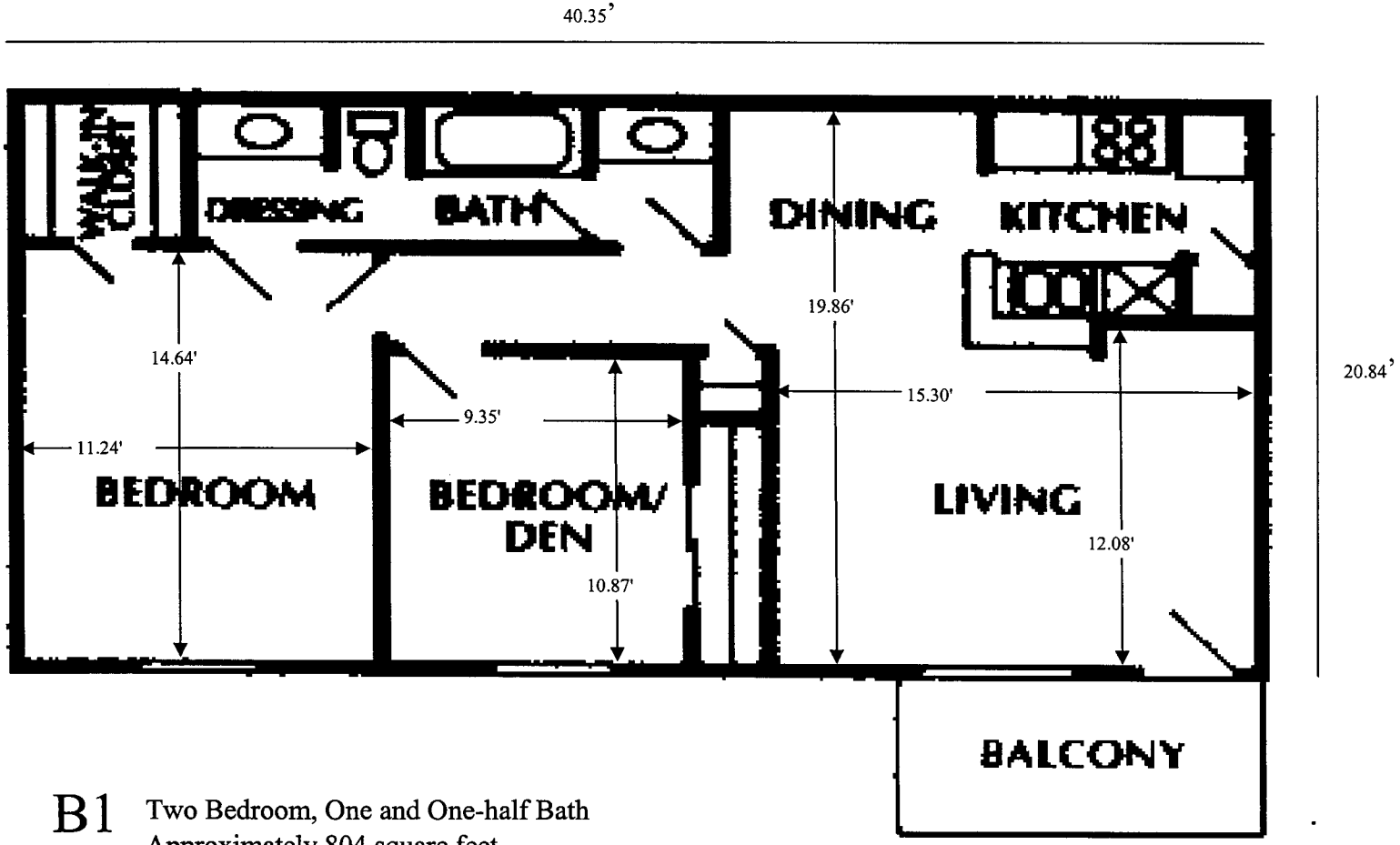
Scale:

3.47 feet

No. of units - 40

Willow Meadow Place Apartments

Floor Plans



B1 Two Bedroom, One and One-half Bath
Approximately 804 square feet

Additional sink is marketed as ½ bath

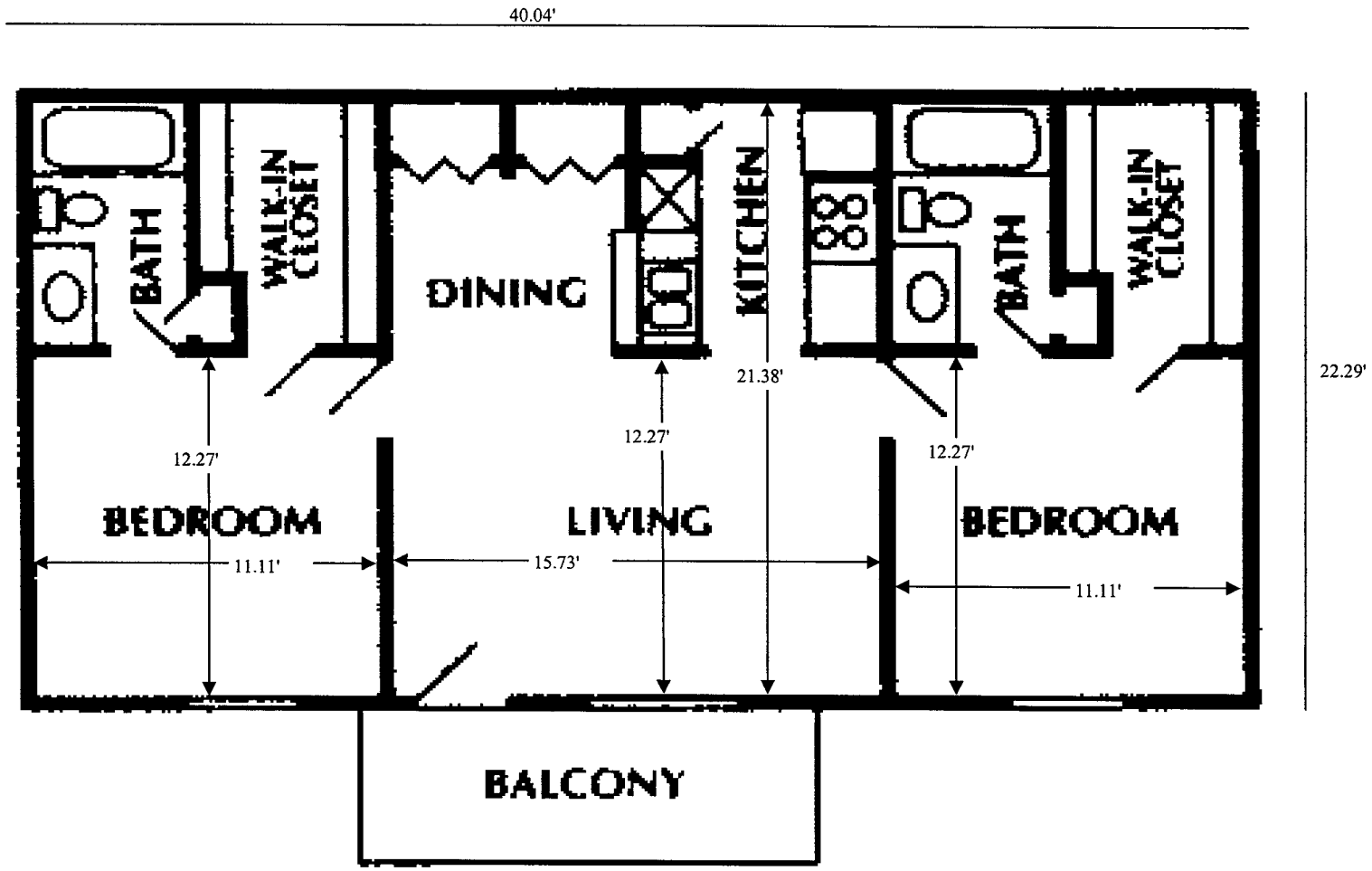
Scale:

3.47 feet

No. of units - 32

Willow Meadow Place Apartments

Floor Plans



B2 Two Bedroom, Two Bath
Approximately 884 square feet

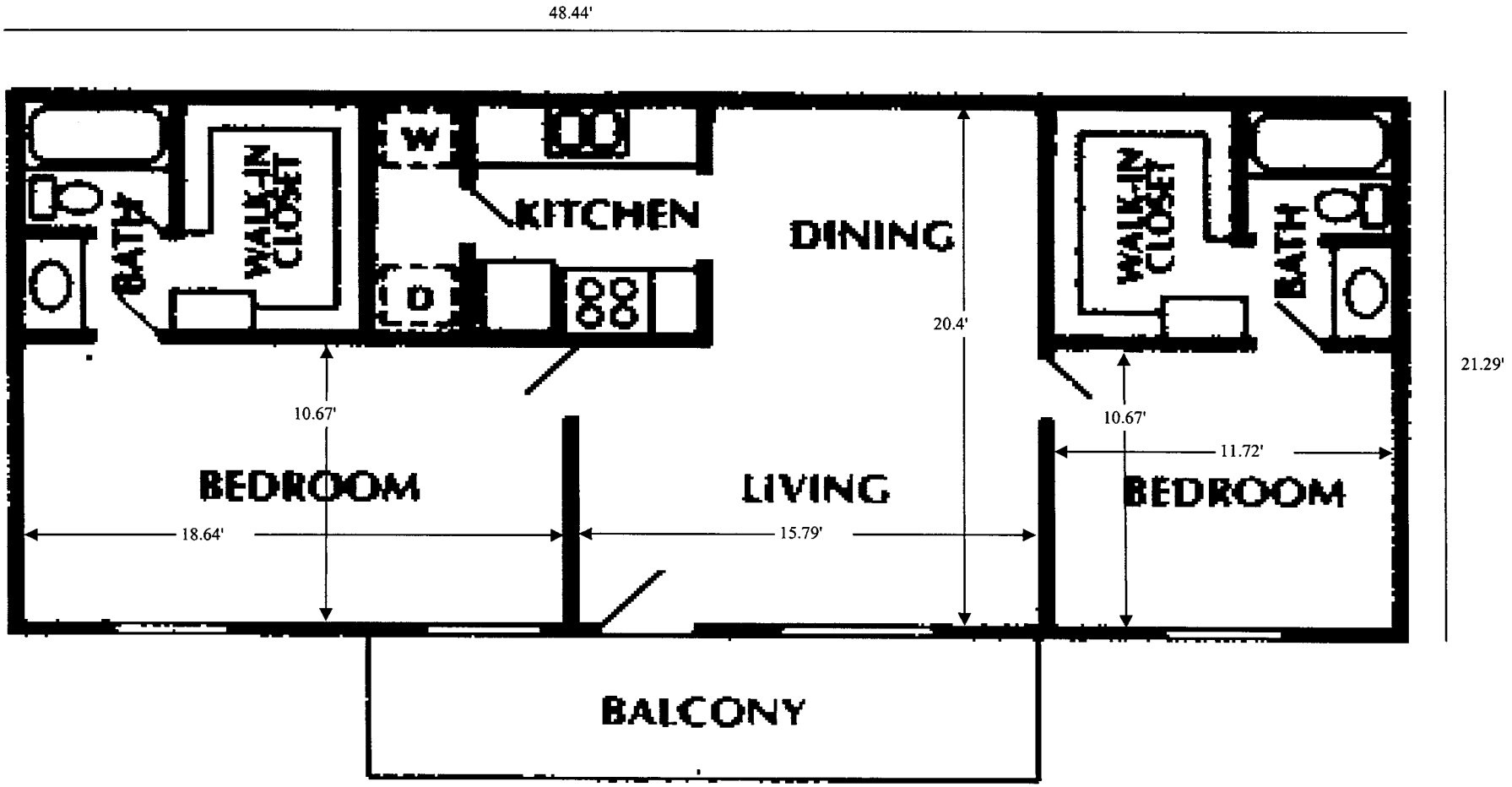
Scale:

3.47 feet

No. of units - 96

Willow Meadow Place Apartments

Floor Plans



B3 Two Bedroom, Two Bath
Approximately 1024 square feet

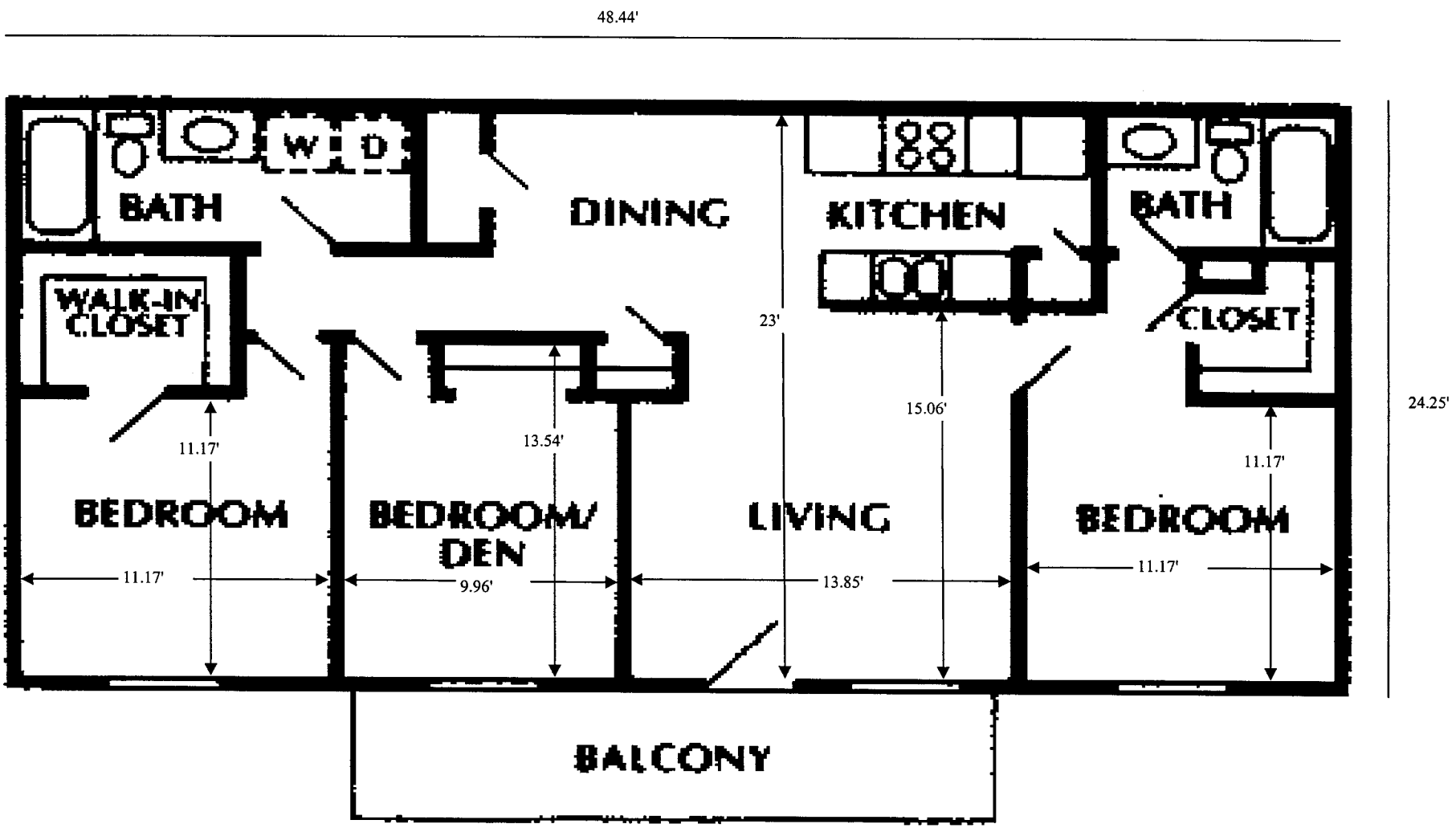
Scale:

3.47 feet

No. of units - 20

Willow Meadow Place Apartments

Floor Plans



C1 Thre Bedroom, Two Bath
Approximately 1164 square feet

Scale:

3.47 feet

No. of units - 20

CITY OF HOUSTON

Planning & Development
Department

Bill White
Mayor

Marlene L. Gafrick
Director
Planning & Development
Department
P.O. Box 1562,
Houston, Texas 77251-1562
611 Walker 6th Floor,
Houston, Texas 77002

T. 713.837.7760
F. 713.837.7703
www.houstontx.gov

To: Whom It May Concern

From: Marlene L. Gafrick, Director
Planning & Development Department

Effective Date: January 2, 2009

The City of Houston does not have a zoning ordinance. This is the city of Houston's no zoning letter applicable to any property inside the City of Houston. This does not address any separately filed restrictions that may be applicable to the property. You may use this letter to present to your lender. This letter will be updated on January 2, 2010.

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

Council Members: Toni Lawrence Jarvis Johnson Anne Clutterbuck Wanda Adams Mike Sullivan M.J. Khan, P.E. Pam Holm Adrian Garcia
James Rodriguez Peter Brown Sue Lovell Ronald C. Green Jolanda "Jo" Jones Controller: Annise D. Parker

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF RESERVATION OF ENTITY NAME OF

WM APARTMENTS GENPAR, LLC

The undersigned, as Secretary of State of Texas, hereby certifies that the above entity name has been reserved in this office pursuant to the provisions of Section 5.101 of the Texas Business Organizations Code for the exclusive use of

McGuire, Craddock & Strother, P.C.
3550 Lincoln Plaza, 500 N. Akard , Dallas , TX 75201

for a period of one hundred twenty days after the date hereof.

This name reservation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/22/2009

Hope Andrade
Secretary of State

Affidavit of No Assets – WM Apartments Genpar, LLC
Willow Meadow Place Apartments

WM Apartments Genpar, LLC is a to be formed Texas Limited Liability Corporation and as such does not have any assets or liabilities.

M. Dale Dodson
Member, Co-Manager of Dalcor Affordable Housing, LLC, sole Member.

By: M. Dale Dodson 2/26/2009
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Texas
COUNTY OF: Collin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that M. Dale Dodson, whose 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 official seal this 26th day of February, 2009. (seal)

T. R. Seidl 5/25/2011
Notary Public Signature *Commission Expires*

TERESA L. SEIDL
NOTARY PUBLIC
STATE OF TEXAS
COMMISSION EXPIRES
MAY 25, 2011

TITLE CO.: Alamo Title Company

SETTLEMENT STATEMENT

Date..: July 31, 1998
File #: 9821269761

Property 6 APARTMENT PROJECTS IN HOUSTON, ,TEXAS, Harris County, Texas
Seller WESTCHASE MULTIFAMILY, L.P., A DELAWARE LIMITED PARTNERSHIP
Buyer HT Apartments Limited Partnership, A Texas Limited Partnership
Place of Closing 5251 Westheimer, Suite 200, Houston, Texas 77056
Alamo Title Company

SELLER'S STATEMENT

AMOUNT DUE TO SELLER

Purchase Price	$ 72,860,000.00
TOTAL DUE SELLER	$ 72,860,000.00

DEDUCTIONS FROM SELLER

Payoff of First Mortgage Loan from MORGAN GUARANTY TRUST COMPANY OF	$ 31,410,471.80
SECURITY DEPOSITS	$ 320,662.00
PREPAID RENT	$ 31,722.00
TAX PRORATIO 1/ 1/1998 to 7/31/1998	$ 780,427.00
PERSONAL PRO 1/ 1/1998 to 7/31/1998	$ 1,525.22
Commission Paid at Settlement to SOUTHWEST RESIDENTIAL PARTNERS, INC	$ 739,500.00
Title Insurance to Alamo Title Company	$ 192,584.00
Courier Fees to Alamo Title Company	$ 80.00
Escrow Fee to Alamo Title Company	$
Tax Certificates to Alamo Title Company	$ 239.88
Overnight Delivery to Alamo Title Company	$
EXTRA CHAIN CHARGES 5X278, to Alamo Title Company	$ 1,390.00
Recording Fees	$ 100.00
Survey to CLARK-GEOGRAM INC	$ 2,460.00
TOTAL DEDUCTIONS	$ 33,481,161.90
NET AMOUNT DUE SELLER	$ 39,378,838.10

Seller understands the Closing of Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this Statement.

Seller understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ALAMO TITLE COMPANY to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

SELLER:

WESTCHASE MULTIFAMILY, L.P.,

DELAWARE LIMITED PARTNERSHIP

BY: NDS RREFCO, INC., ITS GENERAL PARTNER

BY: Karin Shemer
KARIN SHEMER, VICE PRES.

Alamo Title Company

CLOSING OR ESCROW AGENT

The undersigned hereby certifies that the foregoing is a true and correct copy of the original.

Alamo Title Company
Title Agency Division

By:

TITLE CO.: Alamo Title Company

SETTLEMENT STATEMENT

Date..: July 31, 1998

File #: 9821269761

Property 6 APARTMENT PROJECTS IN HOUSTON, ,TEXAS, Harris County, Texas

Seller WESTCHASE MULTIFAMILY, L.P., A DELAWARE LIMITED PARTNERSHIP

Buyer HT Apartments Limited Partnership, A Texas Limited Partnership

Place of Closing 5251 Westheimer, Suite 200, Houston, Texas 77056
Alamo Title Company

BUYER'S STATEMENT

CHARGES TO BUYER

Purchase Price	$ 72,860,000.00
SCHEDULE I to HATFIELD PHILIPS	$ 2,181,779.22
DOCUMENT PREPARATION to MCGUIRE, CRADDOCK, STROTHERS	$ 26,250.00
COMMITMENT FEE to HOLLIDAY FENOGLIO FOWLER, L	$ 310,600.00
to SHARE & BLEJAS	$ 3,500.00
SCHEDULE II to DALCOR REALTY, L.L.C.	$ 839,826.35
SCHEDULE III to DALCOR PROPERTY MGMT. INC	$ 37,000.00
SCHEDULE IV to WM. GEORGE & ASSOC	$ 26,158.65
Document Preparation to WINDELS, MARX, DAVIES & IVES	$ 46,500.00
Title Insurance to Alamo Title Company	$ 6,067.00
Courier Fees to Alamo Title Company	$ 80.00
Escrow Fee to Alamo Title Company	$
Overnight Delivery to Alamo Title Company	$
Recording Fees	$ 275.00
MAINTENANCE TRANSFER FEE NW to TEXAS COMMUNITY MGMT	$ 100.00
SURVEY to SOUTH TEXAS SURVEYING ASSOC	$ 1,200.00
TOTAL CHARGES	$ 76,339,336.22

CREDITS TO BUYER

Deposit or Earnest Money	$ 700,000.00
Principal Amount of New Loan(s) from LEHMAN BROTHERS	$ 74,480,000.00
SECURITY DEPOSITS	$ 320,662.00
PREPAID RENT	$ 31,722.00
ADVANCE FEE TO LEHMAN BROTHERS	$ 25,000.00
TAX PRORATIO 1/ 1/1998 to 7/31/1998	$ 780,427.00
PERSONAL PRO 1/ 1/1998 to 7/31/1998	$ 1,525.22
TOTAL CREDITS	$ 76,339,336.22
TOTAL CASH REQUIRED BY BUYER	$

Purchaser understands the Closing of Escrow Agent has assembled this information representing the transaction from the best information available from other sources and cannot guarantee the accuracy thereof. Any real estate agent or lender involved may be furnished a copy of this Statement.

Purchaser understands that tax and insurance prorations and reserves were based on figures for the preceding year or supplied by others or estimates for current year, and in the event of any change for current year, all necessary adjustments must be made between Purchaser and Seller direct.

The undersigned hereby authorizes ALAMO TITLE COMPANY to make expenditures and disbursements as shown above and approves same for payment. The undersigned also acknowledges receipt of Loan funds, if applicable, in the amount shown above and receipt of a copy of this Statement.

BUYER: _____

HT Apartments Limited

A Texas Limited Partnership

BY: HT APARTMENTS GENPAR, LTD. A TEXAS LIMITED PARTNERSHIP, ITS SOLE GENERAL PARTNER

BY: HT APARTMENTS I CORPORATION, A TEXAS CORPROATI N, ITS SOLE GENERAL PARTNER

BY: M. Dale Dodson
M. DALE DODSON, PRESIDENT

Alamo Title Company

09308

Village of kaufman

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Village of Kaufman.

Background and Recommendations

Village of Kaufman - 09308

On February 27, 2009, an Application was submitted for the above-referenced development. Pursuant to §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), an Application is ineligible if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibility will be included in the termination letter to the Applicant."

During the first review of the Threshold requirements, the Department identified over twenty omissions, clarifications or required corrections, the significance of which rendered the Application substantially incomplete. The Department determined the application to be ineligible for consideration because a "thorough review cannot reasonably be performed".

The Applicant's appeal of the termination included a submission of many but not all of the deficient items. Staff's review of the appeal and the subsequent submission identified the following items to remain deficient:

- The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.
- The Certification of Principal form was not provided for Housing Services Incorporated.
- In response to the items regarding appropriate documentation to support the Intergenerational housing type, the Applicant selected both Family and Elderly as the

housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.

- The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.
- A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
- The certificate of name reservation or application for name reservation from the Texas Secretary of State for the Developer, Kaufman Leased Housing Development I, LLC, was not provided.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership
Site Location:	421 E. 7th Street
City/County:	Kaufman/Kaufman
Regional Allocation Category:	Rural
Population Served:	Intergenerational
Region:	3
Set Aside:	None
Type of Development:	Rehabilitation
Units:	68
Credits Requested:	$634,777

Staff Recommendation:

The allocation of tax credits is a competitive process that requires completion of an application by all eligible applicants to be fairly evaluated. Acceptance of an application with significant missing or inconsistent information provides an applicant with the competitive advantage of adjusting deliverables after knowing what the competition has submitted. Staff believes that in this instance the inconsistencies and missing information were more than mere oversight. The applicant's inability to cure the matters in the appeal response clearly indicates that the omissions were not accidental or oversight, and provides evidence that the application was incomplete when it was submitted.

The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09308

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 8, 2009

Mr. Mark S. Moorhouse
Kaufman Leased Housing Associates I, Limited Partnership
2355 Polaris Lane North, Ste 100
Plymouth, MN 55447

Re: Application #09308, Village of Kaufman

Dear Mr. Moorhouse,

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the first review of the Threshold and Selection requirements, the Department identified the following omissions, clarifications or corrections:

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.
2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.
3. Volume 1, Tab 2, Part F, Building/ Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.
4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.
5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and In-kind/Deferred Developer Fee is not indicated.
6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.
7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.
8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.
9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.
10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.
11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.
12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.
14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.
15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.
16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.
17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.
18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.
19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.
20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.
22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.
23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.
24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.
25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.
26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each least, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.
27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

§49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP") states that an application is ineligible for an allocation of Housing Tax Credits if:

> "A submitted Application has an entire Volume of the Application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department. If an Application is determined ineligible pursuant to this subsection, the Application will be terminated without being processed as an Administrative Deficiency. To the extent that a review was able to be performed, specific reasons for the Department's determination of ineligibly will be included in the termination letter to the Applicant."

The significance of the omissions stated above renders the Application substantially incomplete. In accordance with §49.5(a)(10) of the 2009 Q AP, the Department has determined the application to be

ineligible for consideration because a "thorough review can not reasonably be performed". Therefore, the application is terminated.

Pursuant to §49.5(a)(10) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Because of the nature of this termination, the Executive Director has granted limited appeals, when all of the material has been submitted in an organized fashion that makes review possible with a letter appealing the staff termination. There is no guarantee that he will do so again. If you choose to file an appeal to the Executive Director, there is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on May 15, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

09308

Appeal Documents

TO: Michael Gerber, Executive Director of the Texas Department of Housing & Community Affairs (TDHCA)

CC: Robbye Meyer, Director of Multifamily Finance
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

FROM: Mark Moorhouse, Manager of Kaufman Leased Housing Associates I, LLC

DATE: May 14th, 2009

RE: Appeal regarding Notice of Ineligibility for Application #09308—Village of Kaufman Apartments

---

In response to the letter dated May 8th, 2009 from Robbye Meyer please accept this response as a formal appeal. It was stated in the letter that the application for 9% tax credits for Village of Kaufman Apartments (#09308) was being terminated because a "thorough review can not be reasonably performed." There were several "omissions, clarifications or corrections" noted in the letter that led to this finding by TDHCA staff members.

While several of these deficiency items were accurate, there were also several of them that noted inconsistencies or omissions that were either not inconsistent or were provided in the electronic application that was submitted to TDHCA. If these items were removed from the list provided by TDHCA the list of deficiency items is a shorter list that is primarily signature pages that were accidentally left out of the application. In addition, some of the items listed by TDHCA staff are not listed as requirements in the application or weren't shown in the directions for certain tabs of the application.

Based on the following item by item responses to the deficiency items noted and applicable back-up that is provided, these items have been either resolved or noted as already being resolved in the application previously submitted. These items could have been resolved quickly and thoroughly through the normal deficiency notice process, as they have been here.

Our response to each deficiency item is listed below in bold and italics.

Item-by-item Response to Omissions, Clarifications, or Corrections Noted by TDHCA

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.

The non-rental income was already described as "Late Charges & Other Income." The majority of the $204/month, or $2,448 per year, is late charges with some nominal amount for application fees. <Page 9 of original PDF Application>

2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.

The HUD Rent Schedule that was referenced was attached as part of the application under Volume 3, Tab 6. <Page 237 of original PDF Application> I have attached it for reference as well.

3. Volume 1, Tab 2, Part F, Building/Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.

There are no inconsistencies between the Volume 1, Tab 2, Part B and Volume 1, Tab 2, Part F. Both pages show the same breakdown of units and square footage. <Page 9 and page 14 of the original PDF Application>

Volume 1, Tab 2, Part B shows: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 9 of the original PDF Application>

Volume 1, Tab 2, Part F shows the same: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 14 of the original PDF Application>

4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.

See attached and updated Volume 1, Tab 1, Part C showing the correct credit amount. The amount shown in the Development Cost Schedule is correct.

5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and Inkind/Deferred Developer Fee is not indicated.

Neither of these sources are "cash sources." There is no source for Capitalized Expenses; these are costs that are incurred during construction and are capitalized for tax purposes and included in eligible basis. The Deferred Developer Fee also has no source as it is only deferred developer fee and payable out of cash flow over time. The development entity, Kaufman Leased Housing Development I, LLC will be deferring this estimated amount of development fee. See attached and updated Volume 1, Tab 4, Part A, Sources and Uses.

6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.

All sources of funds shown on Volume 1, Tab 5, Part A tie to the commitment letters. There are no inconsistencies. The "Conventional Loan," the "HTC Syndication Proceeds," and the "Private Loan or Grant" all tie. The Deferred Developer Fee and the Capitalized Expenses are non-cash sources and are calculated estimates. The Assumed HUD Notes and Replacement Reserves are not new money and therefore it is impossible to provide a new commitment of the funds. However, the assumption of this note is noted in the purchase agreement on page 158 of the original PDF Application.

7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.

Per the directions on Volume 1, Tab 5, Part B a narrative is not a requirement. It only states if can be used to explain items "other than grants, loans or equity." All sources for Village of Kaufman are either loans or equity.

8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.

Capitalized Expenses were shown roughly $3k too low on this form; it has been updated and attached. All other items tie and there aren't any inconsistencies.

9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.

Please see updated form adding Housing Services Incorporated separately.

10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.

Please see updated forms for all the entities; they were mistakenly left out of the application.

11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.

This form was mistakenly left out of the application, please see attached form.

12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.

There were two site plans attached behind Volume 3, Tab 1 for each site. One was a hand drawn site plan and the other was the survey. The survey has all the dimensions (and a scale). <They were included on pages 151 and 152 of the original PDF Application>

15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.

The plan accurately represents the leasing office location. There is not a separate leasing office or entrance for elderly and family residents. It is operationally infeasible for a 68 unit site to have two separate leasing offices. One community manager and a temporary leasing agent is more than sufficient staffing to handle both family and elderly current and potential residents.

16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.

The information provided by the Seller and their broker indicated that the Three Bedroom apartments had 2 bathrooms. After further discovery, post application submittal, it has been determined that the three bedroom units only have one bathroom. These forms have been updated to reflect the fact that there is only one bathroom in the three bedroom units.

17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy. Depending on how the calculation is done there can be differences in square footage for units, i.e. net rentable versus gross. For a rehabilitation property for which original plans aren't available it is difficult to get an exact square footage or to avoid different calculations of square footage.

18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.

There have been no sellers of the property since December 8, 2005. The current owner has and continues to own it throughout that entire period. In addition, with the passing of the 2008 Housing and Economic Recovery Act the 10-year hold rule has been waived as a requirement to earn acquisition basis on all Project Based Section 8 sites, which Village of Kaufman is.

19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.

There is no escrow receipt because there is no earnest money held in escrow by the title company. According to the option agreement included in the application there was a fee paid to the Seller for the purchase of an option. This money was wired directly to the

Seller and a copy of this wire transfer is attached. <The Purchase Option Agreement is located on page 158 of the original PDF Application>

20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

At the time title was ordered the Buyer, Kaufman Leased Housing Associates I, Limited Partnership was not created and/or organized so the developer, Dominium Development & Acquisition through Kaufman Leased Housing Development I, LLC, had the title put in their name as the proposed insured. The proposed insured will be renamed to Kaufman Leased Housing Associates I, Limited Partnership. On page 4 of the commitment (page 180 of the original PDF Application) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.

Please see updated certification, that box was mistakenly left unchecked.

22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.

Please see attached photo, the sign was installed the day the application was due and the photo was unable to be provided with the application. The sign installer also certified (see attached) that the signs were installed pursuant to TDHCA requirements.

23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.

The submission to the Texas Secretary of State for the name reservation for Kaufman Leased Housing Development I, LLC has been submitted. We are currently waiting for the state confirmation and will provide upon receipt. This entity was created as a Minnesota entity and if necessary will receive a "doing business as" in Texas (d.b.a.). Also, please see attached Articles of Organization and EIN for Kaufman Leased Housing Development I, LLC.

24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.

Polaris Holdings I, LLC is a special limited partner and will have no operational or decision making authority and therefore is not needed to be authorized to do business in Texas.

Housing Services Incorporated is a non-profit based in Texas and has provided its Certificate of Experience with the application. Their registration and good standing documents are also attached.

25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.

Polaris Holdings I, LLC is not required by law to have financial statements and they are a special limited partner with no operational or decision making authority. Housing Services Incorporated financial statements are attached.

26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each least, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.

Please see attached rent roll.

27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

The development is not intergenerational; it is a scattered site development with one site consisting of family units and the other site consisting of elderly units. There is no mention in the directions of Volume 3, Tab 6 that there must be some sort of statement provided, which is why there was no statement provided.

DOMINIUM
Development & Acquisition, LLC

July 2, 2009

Michael Gerber
Executive Director
Texas Department of Housing & Community Affairs
221 East 11th St.
Austin, TX 78701

Via Email

Re: Village of Kaufman Apartments — TDHCA #09308

Dear Mr. Gerber:

This letter is to request that the termination of the application of Village of Kaufman Apartments (TDHCA #09308) be reviewed and reinstated without the need for Board approval. Our appeal was scheduled to be heard by the Board at the June 25th meeting. As you know we were able to provide public comment regarding our application and its uniqueness, but we were unable to get the appeal voted on by the Board.

We respectfully request that you re-examine the facts of our application and reconsider the Staff's conclusion that our application was "substantially incomplete" and re-instate the Village of Kaufman application. 100% of the 27 deficiencies noted in the original termination letter dated May 8, 2009 have been cured.

We believe the major reason our application was terminated is because of the complexities of the development. Our application is for the preservation of an existing Project Based Section 8 apartment complex that was built in the early 1980's. While that in-and-of-itself makes the application only marginally more difficult than a typical new-construction development, there are several other characteristics that make the review of the application very complex. These intricacies are summarized in the following paragraph.

The development is a rural scattered site development where one site is 100% family and the other site is 100% elderly. There is one Section 8 HAP Contract governing 100% of the units at both sites. The elderly site contains a single shared leasing office and shared site personnel that serves all 68 family and elderly units. This feature disqualifies the site as an "intergenerational" development pursuant to the QAP (S.49.3.(59)(B)). It is not economically or operationally feasible for a rural 68 unit scattered site development to have separate leasing offices and personnel and effectively operate as two 34-unit developments. In addition the property does not meet the definition of either a elderly site or a family site, it is BOTH a family and elderly Development Site (as defined in the QAP), which we were informed in the letter from the Department dated May 20, 2009 is "not an allowable selection."

Several discussions we have had with the Department have confirmed the fact that our application does not fit in any of the "boxes" that the QAP, ASPM, and Uniform Application allow. We are confident that if our Application is re-instated that these complexities can be worked out through continued discussions with the Department.

As mentioned above, all of the original 27 "omissions" from the termination letter dated May 8, 2009 have been resolved. For simplicity please see Attachment A to this letter, which includes our response to the May 8, 2009 termination letter and our response to the May 20, 2009 letter denying our appeal. Attachment A is set up as a bookmarked PDF for ease of review.

We are confident that a second examination of all of the facts of our application, including various materials submitted to the Department in the last 30-days, will allow the Department to clearly understand our application, including all its intricacies. Please consider the facts and re-instate our application.

We thank Staff and you for your consideration of this appeal and look forward to working with the Department on our Application. If you are unable to reinstate the application, we respectfully request that you direct Staff to re-examine all the facts as well and to consider the possibility of recommending to the Board at the July 16 Board Meeting to recommend approval of our appeal.

Best Regards,

Mark S. Moorhouse
Partner

Owen C. Metz
Associate

Cc: Robbye Meyer, Director of Multifamily Finance
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

Encl (1)
OCM

Rec'd TDHCA 5/14/09

Rent Schedule
Low Rent Housing

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

RECEIVED
JUL 21 2008

OMB Approval No. 2502-0012
(Exp. 3/31/2010)

See page 3 for instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective
Village of Kaufman Apartments / TX16-0017-021	113-35326	July 1, 2008

Part A -- Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents: Col. 3 Rent Per Unit	Contract Rents: Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)	Col. 5 Utility Allowances Effective Date: (mm/dd/yyyy) 3/1/2005	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Section 236 Projects Only): Col. 7 Rent Per Unit	Market Rents (Section 236 Projects Only): Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 BR	32	$486	$15,552	$33	$519	N/A	N/A
2 BR	26	$596	$15,496	$47	$643		
3 BR	10	$747	$7,470	$53	$800		
Total Units	68	Monthly Contract Rent Potential (Add Col. 4)*	$38,518			Monthly Market Rent Potential (Add Col. 8)*	N/A
		Yearly Contract Rent Potential (Col. 4 Sum x 12)*	$462,216			Yearly Market Rent Potential (Col. 8 Sum x 12)*	N/A

*These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B -- Items Included in Rent

Equipment/Furnishing in Unit (Check those included in rent.)

☑	Range	☐	Dishwasher	☑	Smoke Detector
☑	Refrigerator	☑	Carpet	☑	Vinyl Flooring
☑	Air Conditioner	☐	Drapes	☑	Bath Exhaust Fan
☐	Disposal	☑	Miniblinds	☑	Carbon Monoxide Detector

Utilities Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item): E= Electric: G=Gas: F=Fuel Oil or Coal.

☑	Heating	E	☑	Hot Water	E	☐	Lights, etc. E
☑	Cooling	G	☐	Cooking	E	☑	Water/Sewer

Services/Facilities (check those included in rent)

☑	Parking	☑	Trash removal	☑	Ceiling Fans
☑	Coin-Op Laundry	☑	Recreation Rm.	☑	Vinyl Tile
☐	Swimming Pool	☑	Landscaping	☑	Cable Hook-ups
☐	Tennis Courts	☑	Exterminator	☑	W/D Hook-ups

Part C -- Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
N/A	

Part D -- Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
N/A		
Total Rent Loss Due to Non-Revenue Units		

Part E -- Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
N/A			
		Total Commercial Rent Potential	

Part F -- Maximum Allowable Rent Potential

Enter maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or Lender): **$38,518**

3. Funding Request

Complete the table below to describe this Application's funding request.

TDHCA Programs for which this Application will be used:	Requested Amount	If the award will be in the form of a loan, the requested terms are:		
		Interest Rate (%)	Amortization (Yrs)	Term (Yrs)
HOME Activity Funds	$			
HOME CHDO Operating Expenses	$			
Housing Trust Fund	$			
Housing Tax Credit (Annual amount)	$ 637,724			
Private Activity Mortgage Revenue Bond	$			
501(c) (3) Mortgage Revenue Bond	$			

4. Previously Awarded State and Federal Funding

Has this site/activity previously received TDHCA funds? ☐ Yes ☒ No

If "Yes", enter Project #_____ and TDHCA Funding Source _____

Has this site/activity previously received non-TDHCA federal funding? ☐ Yes ☒ No

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

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	$ 2,890,000	$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	$ 957,352	$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	$ 266,497	$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		$ 2,872,960	$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	$ 470,000	$ -	Capital Area HFC
15	Capitalized Expenses	N/A	$ 176,690	$ 176,690	Capitalized Costs During Constr.
16	In-Kind Equity/Deferred Developer Fee	3	$ 270,064	$ 270,064	Deferred Developer Fee
TOTAL SOURCES OF FUNDS			$ 7,903,563	$ 7,903,563	
TOTAL USES OF FUNDS				$ 7,903,563	

(1) Indicate Exclusive Use Financing Paticipant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrustructure funds used only for off-site construction

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "*Summary Sources and Uses of Funds*" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 3 Amount: $ 266,497 ☐ Interim ☐ Permanent ☒ Equity Commitment Date / /

Source Name: Assumed HUD Replacement Reserves Contact Name: Not Applicable

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Replacement Reserves

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☐ **Syndication** Tax Credits Estimate: $ Syndication Factor: $ Per Credit Dollar

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Source #: 8 Amount: $ 4,542,960 ☐ Interim ☐ Permanent ☒ Equity Commitment Date 02/25/09

Source Name: HTC Syndication Proceeds (Alliant Capital) Contact Name: Joel Hauenstein

Address: 119 Fairfax Court City: Granville State: OH ZIP: 43023

Phone: (740) 927-1077 Fax: (740) 927-0014

Level of Commitment: ☐ Closed ☐ Firm ☒ Conditional ☐ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☒ **Syndication** Tax Credits Estimate: $ 6,309,662 Syndication Factor: $ .72 Per Credit Dollar

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Source #: 15 Amount: $ 176,690 ☒ Interim ☐ Permanent ☐ Equity Commitment Date / /

Source Name: Capitalized Expenses Contact Name: Not Applicable.

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Captalized Expenses

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☐ **Syndication** Tax Credits Estimate: $ Syndication Factor: $ Per Credit Dollar

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Ownership Entity: Kaufman Leased Housing Associates I, Limited Partnership

Contact Name: Mark S. Moorhouse

Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447

Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:

Applicant and Ownership Entity 100%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/19/09

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☒ Limited Partnership

☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):

☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: General Partner: Kaufman Leased Housing Associates GP I, LLC (Housing Services Incorporated)

Contact Name: Lee Anderson

Address: 10580 Newkirk,Suite 304 City: Dallas State: TX ZIP: 75220

Phone: (214) 696-6077 Fax: (214) 594-9188 Email: landerson@hsiusa.org

Name(s) and Ownership % of Entities the Organization Owns or Controls:

General Partner and Limited Partnership .005%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/19/09

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership

☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):

☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Developer: Kaufman Leased Housing Development I, LLC

Contact Name: Mark S. Moorhouse

Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447

Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:

Developer 0%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/25/2009

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership

☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Housing Services Incorporated
Contact Name: Lee Anderson
Address: 10580 Newkirk, Suite 304 City: Dallas State: TX ZIP: 75229
Phone: (214) 696-6077 Fax: (214) 594-9188 Email: landerson@hsiusa.org

Name(s) and Ownership % of Entities the Organization Owns or Controls:
Owner of General Partner (Kaufman Leased Housing Associates GP I, LLC) 100%

Is Organization legally formed? ☒ Yes ☐ No Date of formation: 11/17/03
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☒ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Administrative Limited Partner: To be determined Alliant entity and investor
Contact Name: Joel Hauenstein
Address: [redacted] City: Granville State: OH ZIP: 43023
Phone: (740) 927-1077 Fax: (740) 927-0014 Email: joel.hauenstein@alliantcapital.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
[redacted] .01%

Is Organization legally formed? ☐ Yes ☒ No Date of formation: N/A
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Investor Limited Partner: To be determined Alliant entity and investor
Contact Name: Joel Hauenstein
Address: 119 Fairfax Court City: Granville State: OH ZIP: 43023
Phone: (740) 927-1077 Fax: (740) 927-0014 Email: joel.hauenstein@alliantcapital.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
See applicant chart, exact entity name to be determined 99.98%

Is Organization legally formed? ☐ Yes ☒ No Date of formation: N/A
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☒ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Special Limited Partner: Polaris Holdings I, LLC
Contact Name: Mark S. Moorhouse
Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447
Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
Special Limited Partnership and Limited Partnership .005%

Is Organization legally formed? ☒ Yes ☐ No Date of formation: 11/05/04
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name:
Contact Name:
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) - Email:

Name(s) and Ownership % of Entities the Organization Owns or Controls:
%

Is Organization legally formed? ☐ Yes ☐ No Date of formation:
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

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☐ Historically Underutilized Business ☐ Federal Tax Exemption ☒ Community Housing Development Org.

Organization Legal Name:
Contact Name:
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) - Email:

Name(s) and Ownership % of Entities the Organization Owns or Controls:
%

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Legal Form of Organization is or will be (mark all that apply):
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[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

8) For the period beginning ten years prior to the date of this certification:
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   b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.

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   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
a) 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.),
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The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

Kaufman Leased Housing Associates GP I, LLC
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009. (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5

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   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Polaris Holdings I, LLC
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Vice President
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009. (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

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Volume 1, Tab 5

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Kaufman Leased Housing Associates I, Limited Partnership
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009 (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

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Volume 1, Tab 5

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Kaufman Leased Housing Development I, LLC
Entity/Person Represented by this form

By: _____ 5/14/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 14 day of May 2009 (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

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Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Village of Kaufman

Applicant Name: Kaufman Leased Housing Associates I, Limited Partnership

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Mark S. Moorhouse for Kaufman Leased Housing Associates GP I, LLC

which is:
- ☐ the Applicant for a tax credit allocation.
- ☒ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 2355 Polaris Ln. N, Suite 100 City: Plymouth State: MN ZIP: 55447

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Village of Kaufman	Kaufman		

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 5/12/09 Its: Manager

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

2009 MULTIFAMILY UNIFORM APPLICATION

Texas Department of Housing and Community Affairs (TDHCA)
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands **§49.9(c), Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules,** and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this 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 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

Applicant's Authorized Representative's Signature	Mark S. Moorhouse, Manager *Representative's Printed Name, Title*	2/23/09 *Date*

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	Village of Kaufman	Region:	3
Address:	421 E. 7th Street	ZIP Code:	75142
City:	Kaufman	County:	Kaufman
If a Pre-Application was submitted, enter TDHCA assigned Development number:	09222		

2. Target Population (Check Only One):

☒ Family
☒ Elderly
☐ Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name:	Kaufman Leased Housing Associates I, Limited Partnership						
Applicant Contact Name:	Mark S. Moorhouse						
Mailing Address:	2355 Polaris Lane North, Suite 100	City:	Plymouth	State	MN	ZIP:	55447
Phone:	(763) 354-5613	Fax:	(763) 354-5633	Email:	mmoorhouse@dominiuminc.com		

If Applicant's *"Physical Address"* is different from the *"Mailing Address,"* provide the physical address below:

Applicant Physical Address:			
City:	State:	ZIP:	

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms"and "Unit Size", then within the same "# of Bedrooms" and "unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.

501(c)(3) Mortgage Revenue Bond: (MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%), Market Rate(MRBMR).

HOME: High (HH), Low (LH), Employee Occupied non LI unit (MR/EO), Market Rate (MR)

Other: describe any "Other" rental assistance or rent restrictions in the space provided; documentation supporting the rentl assistance or restrictions must be provided

Housing Trust Fund : (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF80%), Market Rate (MR)

Units funded under more than one program, the "Program Rent Limit" should be the most restrictive - for example, a LH and TC60% unit would use the "LH" Program rent limit.

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: **Village of Kaufman** City: **Kaufman, TX**

HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other Designation/Subsidy	# of Units (A)	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)	Total Monthly Rent (A) x (E)
TC60%				S8 HAP	24	2	1.00	879	21,096	898	47	605	14,513
TC60%				S8 HAP	10	3	1.00	1,079	10,790	1,037	53	759	7,585
									0				-
TC50%				S8 HAP	21	1	1.00	658	13,818	623	33	493	10,360
TC50%				S8 HAP	2	2	1.00	879	1,758	748	47	605	1,209
									0				-
TC30%				S8 HAP	11	1	1.00	658	7,238	374	33	493	5,427
									0				-
									0				-
									0				-
									0				-
									0				-
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									0				-
									0				-
									0				-
				TOTAL	68				54,700				39,094

Non Rental Income	$3.00	per unit/month for:	*Late Charges & Other Income*	204
Non Rental Income	0.00	per unit/month for:	*describe source here*	
Non Rental Income	0.00	per unit/month for:	*describe source here*	
+ TOTAL NONRENTAL INCOME	$3.00	per unit/month		204
= POTENTIAL GROSS MONTHLY INCOME				39,298
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 5.00%	1,955
- Rental Concessions				
= EFFECTIVE GROSS MONTHLY INCOME				37,343
x 12 = EFFECTIVE GROSS ANNUAL INCOME				448,121

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING TAX CREDITS	TC30%	11
	TC40%	0
	TC50%	23
	TC60%	34
	HTC LI Total	68
	TCEO	0
	MR	0
	MR Total	0
	TC Total	68
MORTGAGE REVENUE BOND	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
	MRB LI Total	0
	MRBMR	0
	MRBMR Total	0
	MRB Total	0

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
HOME	HOME HH	0
	HOME LH	0
	HOME LI Total	0
	MR/EO	0
	MR	0
	MR Total	0
	HOME Total	0
OTHER	Total OT Units	68

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

Volume 1, Tab 2. ACTIVITY OVERVIEW

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

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 unhiding the columns between J and Z in Excel.

Development Name: **Village of Kaufman** City: **Kaufman, TX**

Unit Type				Building Configuration								Total # of Units	Total Sq Ft for Unit Type
				Building Label	Bldg "A" (Site 1)	Bldg "B" (Site 1)	Bldg "A" (Site 2)	Bldg "B" (Site 2)				Total # of Buildings	
				Number of Buildings	1	8	5	12				**26**	
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit		Number of Units Per Building								
1 BR	1	1	658			4						**32**	**21,056**
2 BR	2	1	879		2			2				**26**	**22,854**
3 BR	3	1	1,079				2					**10**	**10,790**
												-	-
												-	-
												-	-
												-	-
												-	-
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												-	-
												-	-
												-	-
												-	-
												-	-
				Totals	2	32	10	24	-	-	-	68	54,700

Net Rentable Square Footage from Rent Schedule 54,700

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
		N/A		Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	**38,518.00**	**34,905.00**	**0.00**	**34,905.00**	**13,379.00**

-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	**68**	**804**	**566.44**	**0.70**	**562.98**	**0.70**	**62**	**91.18**	**2**

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	**38,518.00**	**68**	**38,412.00**

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	**34,905.00**

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	**34,905.00**

Rec'd TDHCA 5/14/09

BREMER BANKING • INVESTMENTS • TRUST • INSURANCE

eBiz

OPTIONS | HELP | EXIT

Summary | Accounts | Funds Management | Fraud Management | Print

General Wire: Funds Transfer Detail as of 03/04/2009 9:42 AM Eastern Standard Time

Transfer Information

Transfer Type:	Domestic Wire
Current Status:	Approved
Placement Date & Time:	03/04/2009 9:42 AM Eastern Standard Time
Transfer Date:	03/04/2009
Transfer Amount:	1,000.00
Confirmation Number:	114887269
Display Group:	Wire Transfer
Recurring:	No

Account Information

From Institution R/T Number:	0960-10415
From Account Type:	Demand Deposit
From Account:	7106553
From Account Nickname:	DDA 25x4 Operating

Employee Information

Employee Name:	Lynn Schlagel (06)
Employee Group:	
Reviewing Employee Name:	

Receiving Information

Institution R/T Number:	0530-00219
Institution Name:	Wachovia
Institution Address:	
Institution City State Zip:	Charlotte NC

Beneficiary Information

Beneficiary Institution R/T Number:	0530-00219
Beneficiary Institution Name:	Wachovia
Beneficiary Institution Address:	
Beneficiary Institution City State Zip:	Charlotte NC
Beneficiary Account Type:	Demand Deposit
Beneficiary Account:	2000010968907
Beneficiary Name:	AIMCO Properties Partnership Concentrati
Beneficiary Address:	none provided
Beneficiary City State Zip:	
Beneficiary Instructions:	Village of Kaufman 042734 Purchase Option Pmt
Message:	eBiz Domestic Wire Transfer

CUT OFF TIMES PRIVACY STATEMENT CONTACT US

Copyright Information Technology, Inc. 2001 - 2009

9101 1575-0100 (Earnest Money)

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☐ I (We) certify that:
     - ☐ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☐ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form.* 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☒ I (We) certify that:
     - ☒ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☐ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written).*
   - ☐ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written).* All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial:

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 Pre-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.

☒ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on __/__/__ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☒ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 5/12/09 Its: Manager
Signature of Applicant/Owner *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 12 day of May, 2009 (seal)

Judy A. Rath
Notary Public Signature

01/31/2012
Commission Expires

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

Rec'd TDHCA 5/14/09

signinternational
ARCHITECTURAL SIGNAGE

409.832.0117
Fax 409.842.5659
P.O. Box 20054
Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 100 – 135 Village Drive, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
Name: Scott Bryson
Title: Signs International Express
Date: February 27, 2009

Rec'd TDHCA 5/14/09

signinternational
ARCHITECTURAL SIGNAGE

409.832.0117
Fax 409.842.5659
P.O. Box 20054
Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 405 – 440 E. 7th Street, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
Name: Scott Bryson
Title: Signs International Express
Date: February 27, 2009

Rec'd TDHCA 5/14/09

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community Village of Kaufman, located at 100-135 Village Drive, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 3.76 acres.

There will be a public hearing to receive public comment on the proposed development.

Date: April 7, 2009 Time: 6:00 p.m.

Location: J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Domin um Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www tdhca.state tx.us

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community, Village of Kaufman, located at 405-440 E 7th Street, Kaufman, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 4.12 acres.

There will be a public hearing to receive public comment on the proposed development.

Date. April 7, 2009 Time: 6:00 p.m.

Location. J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Dominium Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

Rec'd TDHCA 5/14/09 32299780003

LLC-OR

ARTICLES OF ORGANIZATION
OF
KAUFMAN LEASED HOUSING DEVELOPMENT I, LLC

The undersigned organizer, being a natural person 18 years of age or older, in order to form a limited liability company under Minnesota Statutes, Chapter 322B, hereby adopts the following Articles of Organization:

ARTICLE I.
NAME

The name of the Company is: Kaufman Leased Housing Development I, LLC (the "Company").

ARTICLE II.
REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Company is located at 2355 Polaris Lane, Suite 100, Plymouth, Minnesota 55447.

ARTICLE III.
ORGANIZER

The name and address of the organizer of this Company is as follows:

Paul R. Sween
2355 Polaris Lane North, Suite 100
Plymouth, MN 55447

ARTICLE IV.
TERM

The Company shall have a perpetual duration.

ARTICLE V.
DISSOLUTION

The Company shall not be dissolved or required to be wound up upon the occurrence of any event set forth in Section 322B.80, Subd. 1(5) of the Act and such events shall not trigger dissolution of the Company.

ARTICLE VI.
CUMULATIVE VOTING; PREEMPTIVE RIGHTS

No member of this Company shall have any cumulative voting rights. No member of this Company shall have any preemptive rights under Minnesota Statutes, Section 322B.33, to make contributions of a certain amount or to make a contribution allowance agreement specifying future contributions of a certain amount before the Company may accept new contributions from other persons or make contribution allowance agreements with other persons.

ARTICLE VII.
WRITTEN ACTION OF BOARD

Any action required or permitted to be taken at a meeting of the Board of Governors of the Company not needing approval by the members, may be taken by written action signed by the number of governors that would be required to take such action at a meeting of the Board of Governors at which all governors are present.

ARTICLE VIII.
LIMITATION OF LIABILITY

No governor of the Company shall be personally liable to the Company or its members for monetary damages for breach of fiduciary duty by such governor as a governor; provided, however, that this Article VIII shall not eliminate or limit the liability of a governor to the extent provided by applicable law (i) for any breach of the governor's duty of loyalty to the Company or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 322B.56 or 80A.23 of the Minnesota Statutes, (iv) for any transaction from which the governor derived an improper personal benefit or (v) for any act or omission occurring prior to the effective date of this Article VIII. No amendment to or repeal of this Article VIII shall apply to or have any effect on the liability or alleged liability of any governor of the Company for or with respect to any acts or omissions of such governor occurring prior to such amendment or repeal.

ARTICLE IX.
FIRST GOVERNORS

The names of the first governors of this Company are as follows:

David L. Brierton
Jack W. Safar
Armand E. Brachman
Paul R. Sween
Mark S. Moorhouse
Christopher P. Barnes

Rec'd TDHCA 5/14/09

ARTICLE X.
MANAGEMENT

The Company will be managed by its Board of Governors, as further provided in the Company's Operating Agreement. Except as authorized by the Board of Governors, no member is an agent of the Company or has the authority to make any contracts, enter into any transactions or make any commitments on behalf of the Company.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ___ day of February, 2009.

Paul R. Sween, Organizer

4336030v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 25 2009
Mark Ritchie
Secretary of State

Rec'd TDHCA 5/14/09

Internal Revenue Service
United States Department of the Treasury

EIN Assistant

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.

EIN Assigned: **26-4331223**

Legal Name: **KAUFMAN LEASED HOUSING DEVELOPMENT I LLC**

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN. Continue >>

Help Topics

Can the EIN be used before the confirmation letter is received?

Rec'd TDHCA 5/14/09

Window on State Government

Susan Combs Texas Comptroller of Public Accounts

Taxable Entity Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Entity Information:	**HOUSING SERVICES INCORPORATED** 10580 NEWKIRK ST STE 304 DALLAS, TX 75220-2329
Status:	**IN GOOD STANDING - EXEMPT CORPORATION**
Registered Agent:	SHACKLEFORD, MILTON, MCKINLEY 3333 LEE PARKWAY, TENTH FL DALLAS, TX 75219
Registered Agent Resignation Date:	
State of Formation:	
File Number:	0147219301
SOS Registration Date:	December 29, 1997
Taxpayer Number:	17527518801

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

CERTIFICATE OF AMENDMENT OF

HOUSING SERVICES INCORPORATED
147219301

[formerly: HOUSING SERVICES OF TEXAS]

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of amendment for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Amendment.

Dated: 11/17/2003
Effective: 11/17/2003

Geoffrey S. Connor
Secretary of State

FILED
In the Office of the
Secretary of State of Tex

NOV 17 2003

Corporations Section

AMENDMENT TO ARTICLES OF INCORPORATION OF HOUSING SERVICES OF TEXAS

A meeting of the Board of Directors of HOUSING SERVICES OF TEXAS was held on October 10, 2003, whereby a quorum of voting member of the Corporation's Board were present and passed with unanimous consent this amendment to the Articles of Incorporation changing the name of the corporation from **HOUSING SERVICES OF TEXAS** to **HOUSING SERVICES INCORPORATED**. This name change will take affect upon approval by the Secretary of State of the State of Texas.

Mark Rodgers, Secretary

Rec'd TDHCA 5/14/09

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

HOUSING SERVICES OF TEXAS
CHARTER NUMBER 01472193

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED DEC. 29, 1997

EFFECTIVE DEC. 29, 1997

Alberto R. Gonzales, Secretary of State

Rec'd TDHCA 5/14/09

FILED
in the Office of the
Secretary of State of Texas
DEC 29 1997
Corporations Section

ARTICLES OF INCORPORATION

OF

HOUSING SERVICES OF TEXAS

(a nonprofit corporation)

The undersigned, Susan A. Cobb, whose address is 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C. 20036, being at least eighteen years of age, acting as incorporator, does hereby form a nonprofit corporation under and by virtue of the Texas Nonprofit Corporation Act.

ARTICLE I: The name of the corporation (hereinafter the "Corporation") shall be Housing Services of Texas

ARTICLE II. The Corporation is a nonprofit corporation. The period of duration of the Corporation shall be perpetual.

ARTICLE III: The purposes for which the Corporation is organized are as follows

1. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code").

2. Solely for the above purposes, the Corporation is empowered to and may exercise all other powers and authority now or hereafter conferred upon nonprofit corporations in the State of Texas.

3 No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's directors, officers or private individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the aforementioned purposes of the Corporation. The Corporation shall not engage in any activity which is prohibited to a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provision of the federal tax law. In accordance with the existing federal tax law, the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office by publishing or distributing statements, or in any other way. No substantial part of the

Rec'd TDHCA 5/14/09

activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.

ARTICLE IV. The name of the initial registered agent of the Corporation in the State of Texas is Corporation Service Company dba CSC-Lawyers Incorporating Service Company, and the street address of the initial registered office of the Corporation is 1 Commodore Plaza, 800 Brazos, Suite 330, Austin, Texas 78701

ARTICLE V The Corporation shall have no members

ARTICLE VI Provisions for the distribution of assets on dissolution or other termination of the Corporation are as follows

Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation. In such event, all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of the Texas Nonprofit Corporation Act, shall be distributed as directed by the Board of Directors to such Section 501(c)(3) organizations that are organized and operated for purposes similar to those of the Corporation as the Board of Directors of the Corporation shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the Corporation is then located, exclusively for the aforesaid purposes of the Corporation or to such organization or organizations, as said Court shall determine.

ARTICLE VII: The names and addresses of the persons who shall serve as the initial directors of the Corporation are:

Sandy Abernathy
600 N. Pearl Street
Dallas, Texas 75201

Arcilia Acosta
1717 Main Street
Dallas, Texas 75201

Rec'd TDHCA 5/14/09

IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have acknowledged the same to be my act, on this the 23rd day of December, 1997

Susan A. Cobb

Susan A Cobb
Incorporator

Rec'd TDHCA 5/14/09

HOUSING SERVICES OF TEXAS

****

BYLAWS

****

Rec'd TDHCA 5/14/09

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Rec'd TDHCA 5/14/09

February 25, 2009

Jeff Spicer
State Street Housing
5843 Royal Crest Drive
Dallas, TX 75230

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

WWW.HSIUSA.ORG

Rec'd TDHCA 5/14/09

February 25, 2009

Judy Rath
Dominium Development and Acquisition
2355 Polaris Lane, Suite 100
Minneapolis, MN 55447

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

WWW.HSIUSA.ORG

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
		N/A		Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	**38,518.00**	**34,905.00**	**0.00**	**34,905.00**	**13,379.00**

-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	**68**	**804**	**566.44**	**0.70**	**562.98**	**0.70**	**62**	**91.18**	**2**

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	**38,518.00**	**68**	**38,412.00**

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	**34,905.00**

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	**34,905.00**

09308

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

May 20, 2009

Mr. Mark S. Moorhouse
Kaufman Leased Housing Associates I, Limited Partnership
2355 Polaris Lane North, Ste 100
Plymouth, MN 55447
Telephone: (763) 354-5613
Facsimile: (763) 354-5633

Re: Application #09308, Village of Kaufman

Dear Mr. Moorhouse,

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on April 1, 2009, regarding your request that your application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(a)(10) of the 2009 Qualified Allocation Plan and Rules ("QAP"), Threshold Criteria.

This section of the QAP very clearly states that an Application will be terminated, without being processed as an Administrative Deficiency, if the Application has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

This Application was not terminated based on the number of deficient items found in our review, but on the significance of the items that were omitted, incorrect, or unclear. In reviewing your response, we noticed that you corrected many of the items listed in your termination, but the following items remain deficient:

- The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.
- The Certification of Principal form was not provided for Housing Services Incorporated.
- In response to the items regarding appropriate documentation to support the Intergenerational housing type, you selected both Family and Elderly as the housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.
- The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.
- A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.
- The certificate of name reservation or application for name reservation from the Texas Secretary of State for Kaufman Leased Housing Development I, LLC was not provided.

My review of the Application confirms staff's determination that this Application is still incomplete and a throough review of the Application can not be performed by the Department.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the June 25, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on June 18, 2009 to be placed with the June 25, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

09308

Board Appeal Documents

Rec'd TDHCA 5/14/09

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the May 21, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, May 14, 2009 to be placed in the May 21, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Village of Kaufman Apartments
Development Address:	405-440 E. 7th Street & 101-135 Village Drive Kaufman, TX 75142
Signer's Name	Mark S. Moorhouse
Signer's Title:	Manager of General Partner of Kaufman Leased Housing Associates I, LP
Date:	May 14, 2009

Signed: _____

Rec'd TDHCA 6/15/2009

DOMINIUM

Development & Acquisition, LLC

June 11, 2009

Robbye Meyer
Director of Multifamily Finance
Texas Department of Housing & Community Affairs
221 East 11th St.
Austin, TX 78701

Via Email

Re: Village of Kaufman Apartments — TDHCA #09308

Dear Ms. Meyer:

This letter is in response to the letter dated May 20th, 2009 from Mr. Michael Gerber. The aforementioned letter terminated the application of Village of Kaufman apartments based on the opinion of the Department that our application contained omissions that made our application so unclear, disjointed or incomplete that thorough review can not be reasonably performed and that the application is substantially incomplete. We respectfully disagree with the decision by both the Staff and Executive Director to terminate the application and would like to appeal to the Board.

The proposed preservation of the Village of Kaufman development is an extremely complicated transaction with many nuances. It is an existing scattered site project based Section 8 development that was originally developed in the early 1980's and has been serving extremely low-income families and elderly through rental subsidy (a Housing Assistance Payment Contract or "HAP Contract") from HUD. The HAP Contract was restructured in 2007 through a mark-to-market restructuring. With this restructuring, a second mortgage payable to HUD out of operating cash flow was established. Leveraging the existing loan payable to HUD and the HAP Contract rental subsidy with 9% tax credits makes for an application that is multifaceted. An additional level of complexity is created by partnering with a Dallas based non-profit service organization to provide and coordinate needed services for the residents.

This unique combination of Federal and State resources as well as a private and non-profit partnership allows for the preservation of an important affordable housing option, and many times the only housing option, for the families and elderly tenants of Village of Kaufman. Residents only are required to pay 30% of their monthly income in rent. This means that several residents of Village of Kaufman pay nothing in rent, while the average resident pays only $208 per month, which is roughly half the 30% AMI rent limits of Kaufman County. Further, in order to qualify to live at Village of Kaufman 100% of the residents must make less than 30% of the Area Median Income as required under the HAP Contract, a more stringent income restriction than selected in the application. With that said, this site truly is serving the poorest members of the city of Kaufman. To ensure these

residents continue to receive safe, healthy, affordable housing the scattered site development requires a significant rehabilitation.

It is clear based on the thorough and specific items identified by Staff as deficiencies that our application was not in fact so "unclear, disjointed, or incomplete that a thorough review can not be reasonably performed" and that our application was not "substantially incomplete." Several of the items identified by Staff as being omissions that attributed to their determination that our application was unable to be reviewed were immaterial to staff being able to determine the merits of the application and whether the project meets underwriting guidelines.

To help demonstrate that a majority of the items listed as omissions and contributing to termination were immaterial and very subjective we would like to outline a few specific examples from the original list of 27 omissions from the letter dated May 8th, 2009.

- One omission stated we didn't identify what other income was when it was clearly identified as "late charges" in the application. Attachment B shows this was identified in the original application.
- Three of the omissions related to a very small and immaterial discrepancy in units sizes. The size of the units identified on the rent roll and rent schedule was different than the hand drawn unit layouts by 7 square feet for a two bedroom unit and 15 square feet for a three bedroom unit. As this is a rehab of an existing development the unit sizes are not being altered and a small discrepancy does not hinder the reviewer's ability to comprehend the application.
- Two omissions stated that there was a discrepancy between the various commitment letters and the sources and uses; however there was in fact no discrepancy between these documents in the application. Please see Attachment C showing that there were not any discrepancies in the original application.
- Two omissions stated some discrepancy between whether the site was "intergenerational." The development is a scattered site development with the sites located approximately 1.5 miles apart. One site is 100% family and the other site is 100% elderly, which is why there was some confusion on the Applicants part whether to select "intergenerational" or both "family" and "elderly." This is certainly important to the application and was clearly outlined in the Development Narrative submitted as part of Volume 1, Tab 1.
- Seven omissions were regarding some missing signatures pages for certain forms, a sub-box that should have been checked, and some missing organization documents. Important items, but easily rectified and not so severe that the application would be considered substantially incomplete. These items have all been rectified and are no longer omissions.
- Two omissions regarding the site plan were noted. One stating there was no scale or dimensions, which the survey for each of the scattered sites (one family and one elderly located approximately 1.5 miles apart) clearly had. The second stating that the site plan doesn't note if there are separate entrances and/or personnel in the leasing office for family and elderly residents, which is not a requirement of the application, ASPM or QAP, would not typically show up on a site plan, and is not critical to the completeness of the application.
- One omission asked for an "escrow receipt" issued by the title company. The site control is through an option agreement that was executed and purchased. The money was directly wired to the Seller to purchase the option. The purchase option agreement was attached with the application and clearly stated the terms of the purchase of the option.

- One omission asked for evidence of the installation of the public notification sign, which was installed the day the application was submitted to the Department, making it impossible to include the picture with the application. While the picture was provided to Staff after the application, the receipt for the installation of the sign and the proper certification was provided with the application, see Attachment D. Again, this is obviously important but would not hinder a reviewer from property assessing the materiality of the application.

As stated in the original letter from TDHCA the application was being terminated because "the significance of the omissions stated above renders the Application substantially incomplete." The fact is that the application was substantially complete. The fact is the application is complete enough that the reviewer was able to notice a 7 square foot difference between the total square feet of a two bedroom apartment on a hand drawn floor plan versus the square feet noted in the actual rent roll and rent schedule in the application. A discrepancy of less than 1% is immaterial and does not constitute an application being "substantially incomplete." While this is only one example of the subjectivity of the reviewer, it does high light some of the frustrations of the Applicant.

To help clear up any and all remaining deficiencies please see the enclosed Attachment A, which directly responds to the remaining 6 open items that were identified in the termination letter dated May 20th, 2009. These items are in addition to what was previously provided to Staff in our response dated May 14th and enclosed as Attachment E.

Based on previous correspondence and enclosed documentation we have now made all of the corrections requested by Staff, including ones erroneously listed by staff as omissions and/or immaterial in nature, and therefore hereby respectfully request Staff to re-evaluate what type of omissions truly make an application "substantially incomplete" and use their authority and judgment to recommend to the Board that our appeal be granted and to allow the application to be scored and underwritten by staff. While we are not trying to deny that there were deficiencies and omissions, we are trying to understand how these deficiencies and omissions made the application that was submitted "substantially incomplete."

We are very sensitive to the fact that Staff is wasting its time reviewing applications with material omissions (i.e. missing tabs or volumes); however it appears as though our application was terminated even though the application was substantially complete. We also understand the precedence set in earlier Board meetings but we are hopeful that Staff will reconsider the language in the QAP regarding an application being "substantially incomplete."

We thank Staff and you for your consideration of this appeal and hope that you are able to understand our confusion as to how these items render our application unable to be reviewed and "substantially incomplete."

Best Regards,

Mark S. Moorhouse
Partner

Owen C. Metz
Associate

2355 Polaris Lane North, Suite 100 Minneapolis, MN 55447 Phone 763-354-5500 Fax 763-354-5650

Rec'd TDHCA 6/15/2009

Cc: Michael Gerber, Executive Director
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

Encl (5)
OCM

2355 Polaris Lane North, Suite 100 Minneapolis, MN 55447 Phone 763-354-5500 Fax 763-354-5650

ATTACHMENT A

Our responses to each of the six remaining deficiency items are listed below in bold and italics.

Item-by-item Response to Remaining Deficiencies Noted by TDHCA

1. The financing narrative, as required by §49.9(h)(6) of the QAP, was not provided.

Pursuant to the QAP, please see attached financing narrative (Exhibit 1).

2. The Certification of Principal form was not provided for Housing Services Incorporated.

Please see attached Certification of Principal form for HSI (Exhibit 2).

3. In response to the items regarding appropriate documentation to support the Intergenerational housing type, you selected both Family and Elderly as the housing type. This is not an allowable selection, and none of the Intergenerational documentation was submitted.

Because the site is a scattered site development and each site has its own occupancy requirements we checked the boxes for both Family and Elderly. It was unclear that this was not an appropriate selection as one site is ONLY elderly and the other site is ONLY family. The appropriate forms have been changed and attached to reflect "Intergenerational."(Exhibit 3)

4. The square footage on the unit floor plans is still inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy.

Updated unit floor plans have been attached that are consistent with the rent schedule and the Part F Building/Unit Configuration. (Exhibit 4)

5. A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

Please see attached and updated title commitment, the development owner has been added to the commitment. On page 4 of the original commitment and the updated commitment (page 180 of the original PDF Application and attached Exhibit 5) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

6. The certificate of name reservation or application for name reservation from the Texas Secretary of State for Kaufman Leased Housing Development I, LLC was not provided.

Please see attached (Exhibit 6).

Village of Kaufman Apartments

Financing Narrative

Source #1 – First Mortgage:

The first mortgage will be conventional financing in the face amount of $1,690,000. The terms of the financing are outlined on the attached letter from Alliant.

Source #1 – Construction Loan:

In addition to the First Mortgage, a construction loan of $2,890,000 will also be used. The terms of the financing are outlined on the attached letter from Alliant.

Source #2 – Assumed HUD 2nd Mortgage (Cash Flow Note):

A 2nd Mortgage payable solely from Cash Flow will be assumed at closing. The note is payable to HUD. The note bears simple interest at 2.5 percent per annum. Annually, the Partnership is required to pay 75 percent of its surplus cash as of December 31, as calculated in its audited financial statements, to HUD as payments on this note. Annual payments are to be made ten days after the Partnership's financial statements are due to HUD. The payments are applied first to accrued interest and then to outstanding principal. The remaining unpaid principal and accrued interest, if any, are due and payable on July 1, 2037.

Source #3 – Assumed HUD Held Replacement Reserves:

The Buyer, Kaufman Leased Housing Associates I, Limited Partnership will retain the benefit for the property of the HUD held replacement reserves.

Source #8 – Federal Low Income Tax Credit Equity:

9% tax credits are awardable from the Texas Department of Housing and Community Affairs on a competitive basis. We will syndicate these tax credits to an investor, who will become a 99.98% limited partner. We plan on working with Alliant, see attached commitment letter.

Source #14 – Private Loan or Grant:

A short term loan payable to the Capital Area Housing Finance Corporation will be utilized to help fund construction costs and will be repayable from the final equity installment from the tax credit investor.

Source #15 – Imputed Expenses:

Imputed expenses of $176,690 are included as both a source and use. See attached explanation of imputed expenses.

Source #16 – In-Kind Equity/Deferred Developer Fee:

Village of Kaufman Apartments

Financing Narrative

We are deferring approximately $ 270,064 of developer fee that will need to be paid off by year 13 per tax counsel's requirements. The deferred developer fee will be paid out of available cash flow. Kaufman Leased Housing Development I, LLC (the Developer) will be receiving this deferred fee/loan.

Note: These numbers are subject to change as the project moves closer to closing. However, they are a good estimate and shouldn't change significantly.

EXPLANATION OF IMPUTED EXPENSES

The Partnership will capitalize amounts related to the interest that will accrue on the Investor Limited Partner's loan pursuant to the substitute cost method set forth in Section 263A(f)(2)(C) of the Internal Revenue Code (the "Code") and Internal Revenue Service Notice 88-99, 1988-2 C.B. 422. Pursuant to the substitute cost method, the Partnership is permitted to capitalize otherwise deductible expenditures that it incurs with respect to the construction of the Project, and the Partnership will include these capitalized substitute expenditures in the eligible basis of the Project. The Investor Limited Partner, rather than capitalizing the interest on the loan to fund its construction-period equity installments, will be permitted to report an interest deduction for federal income tax purposes. The calculation of the amount of such substitute expenditures that the Partnership is permitted to capitalize, and the amount of interest that the Investor Limited Partner is permitted to deduct, is governed by Code Section 263A(f) and Notice 88-99, 1988-2 C.B. 422.

The remaining balance of imputed expenses, relates to projected operating indirect costs and service costs with respect to the operation of the Project property during the construction period, including, but not limited to, taxes, utilities, insurance, repairs and maintenance, and general and administrative costs. During each month of the Project construction period, approximately 10% of the Project units will be uninhabitable and vacant to allow for rehabilitation of these units. Accordingly, approximately 10% of the operating indirect costs and service costs related to the operation of the Project during the construction period will be attributable to the portion of the Project property uninhabitable and under construction. Therefore, the Partnership will capitalize these operating indirect costs and service costs pursuant to Code Section 263A and Treas. Reg. § 1.263A-1.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

8) For the period beginning ten years prior to the date of this certification:
   a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
   b) I have not defaulted on an obligation covered by a surety or performance bond and have not been the subject of a claim under an employee fidelity bond.

9) For the period beginning ten years prior to the date of this certification, during my participation in the developments shown by me in the Previous Participation Certification, there has not been:
   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

c) Any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management, or disposition; or
d) A suspension or termination of payments under any state or federal assistance contract.

10) To the best of my knowledge, the Applicant's Principals have demonstrated fiscal, programmatic, and contractual compliance on previously awarded Department contracts or loan agreements and resolution of any previous audit findings and outstanding monetary obligation with the Department per 10 TAC Section 53052 (c) (2) and (3).

11) As required by Section 2306.257 of the Texas Government Code, as added by SB 322, 77th Session of the Texas Legislature, an Applicant may not receive funds or other assistance from the Department unless the Applicant certifies that it is in compliance with the housing laws described in subparagraph (a) through (d) of this paragraph. To satisfy that requirement, I hereby certify that the developments listed in the Previous Participation Certification, in which I am currently participating, are in compliance with :
a) 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.),
b) the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.),
c) the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), and
d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

Housing Services Incorporated
Entity/Person Represented by this form

By: _____ 6.10.09 Its: Executive Director
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: TX
COUNTY OF: Dallas

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Lee Anderson, whose 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 official seal this 10 day of June, 2009. (seal)

_____ 2/4/12
Notary Public Signature *Commission Expires*

DREW DEVENNEY
Notary Public
STATE OF TEXAS
My Comm. Exp. 02-04-12

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

2009 MULTIFAMILY UNIFORM APPLICATION

Texas Department of Housing and Community Affairs (TDHCA)
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands **§49.9(c), Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules,** and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this 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 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

Applicant's Authorized Representative's Signature	Mark S. Moorhouse, Manager *Representative's Printed Name, Title*	6/09/09 *Date*

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	Village of Kaufman	Region:	3
Address:	421 E. 7th Street	ZIP Code:	75142
City:	Kaufman	County:	Kaufman
If a Pre-Application was submitted, enter TDHCA assigned Development number:		09222	

2. Target Population (Check Only One):

☐ Family
☐ Elderly
☒ Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name:	Kaufman Leased Housing Associates I, Limited Partnership						
Applicant Contact Name:	Mark S. Moorhouse						
Mailing Address:	2355 Polaris Lane North, Suite 100	City:	Plymouth	State	MN	ZIP:	55447
Phone:	(763) 354-5613	Fax:	(763) 354-5633	Email:	mmoorhouse@dominiuminc.com		

If Applicant's *"Physical Address"* is different from the *"Mailing Address,"* provide the physical address below:

Applicant Physical Address:			
City:		State:	ZIP:

Volume 1, Tab 8
REVELANT DEVELOPMENT INFORMATION FORM, Part 1

This form, Parts 1 and 2 (pages 1-4) must be completed by the Applicant in its entirety.
The information will be utilized by the Department to notify officials required under §49.11(a)(3)(B) of the QAP. Note: The Department is not responsible for notifying Applicants if information contained herein is inaccurate. It is the Applicants' sole responsibility to ensure all information contained in this form is accurate and that any errors identified are corrected and proper re-notifications are made.

IF A PRE-APPLICATION WAS SUBMITTED, ONLY INFORMATION CHANGES FROM THE PRE-APPLICATION TO APPLICATION MUST BE INDICATED BELOW.

NOTE: IF A PRE-APPLICATION WAS SUBMITTED, AND THERE HAS BEEN A CHANGE FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL) THE APPLICANT MUST RE-NOTIFY AS REQUIRED BY §49.9(h)(8)(A).

HOWEVER, THE DEPARTMENT REQUESTS ALL CHANGES FROM PRE-APPLICATION TO APPLICATION IN ALL OF THE INFORMATION BELOW, EVEN IF A RE-NOTIFICATION WAS NOT REQUIRED.

☐ **CHECK IF THERE WERE NO CHANGES FROM PRE-APPLICATION TO APPLICATION THAT RESULTED IN A TOTAL UNIT INCREASE OF GREATER THAN 10%, AND INCREASE OF GREATER THAN 10% FOR ANY GIVEN LEVEL OF AMGI, OR A CHANGE IN POPULATION SERVED (FAMILY, ELDERLY OR INTERGENERATIONAL).**

Building/Unit Configuration:
☐ Detached Residence ☒ Duplex ☐ Triplex ☒ Fourplex
☐ 5 units or more/building ☒ Scattered Site Development ☐ Single Room Development ☐ Townhome

Maximum # Floors: 2 Elevator-Served: ☒No ☐Yes Total Site Acreage: 7.88
Res. Buildings: 26 # of Non-Res. Buildings: 1 # Units per Acre: 8.6
Total Units: 68 Total Market Rate Units: 0 Total LI Units: 68

Tenant Services (describe): The applicant will provide the number and type of services necessary to recive the full 8 points for Services Provided to Tenants of the Development.
☐ **CHANGE FROM PRE-APP**

Complete all rent information as applicable to this Application: ☐ **CHANGE FROM PRE-APP**

Average Rent for a 1 bedroom LI Unit: $493 Average Rent for a 1 bedroom MR Unit: $n/a

Average Rent for a 2 bedroom LI Unit: $605 Average Rent for a 2 bedroom MR Unit: $n/a

Average Rent for a 3 bedroom LI Unit: $759 Average Rent for a 3 bedroom MR Unit: $n/a

Average Rent for a 4 bedroom LI Unit: $n/a Average Rent for a 4 bedroom MR Unit: $n/a

Target Population (check only one) ☐ **CHANGE FROM PRE-APP**

☐ Family ☐ Elderly ☒ Intergenerational Housing

Rec'd TDHCA 6/15/2009

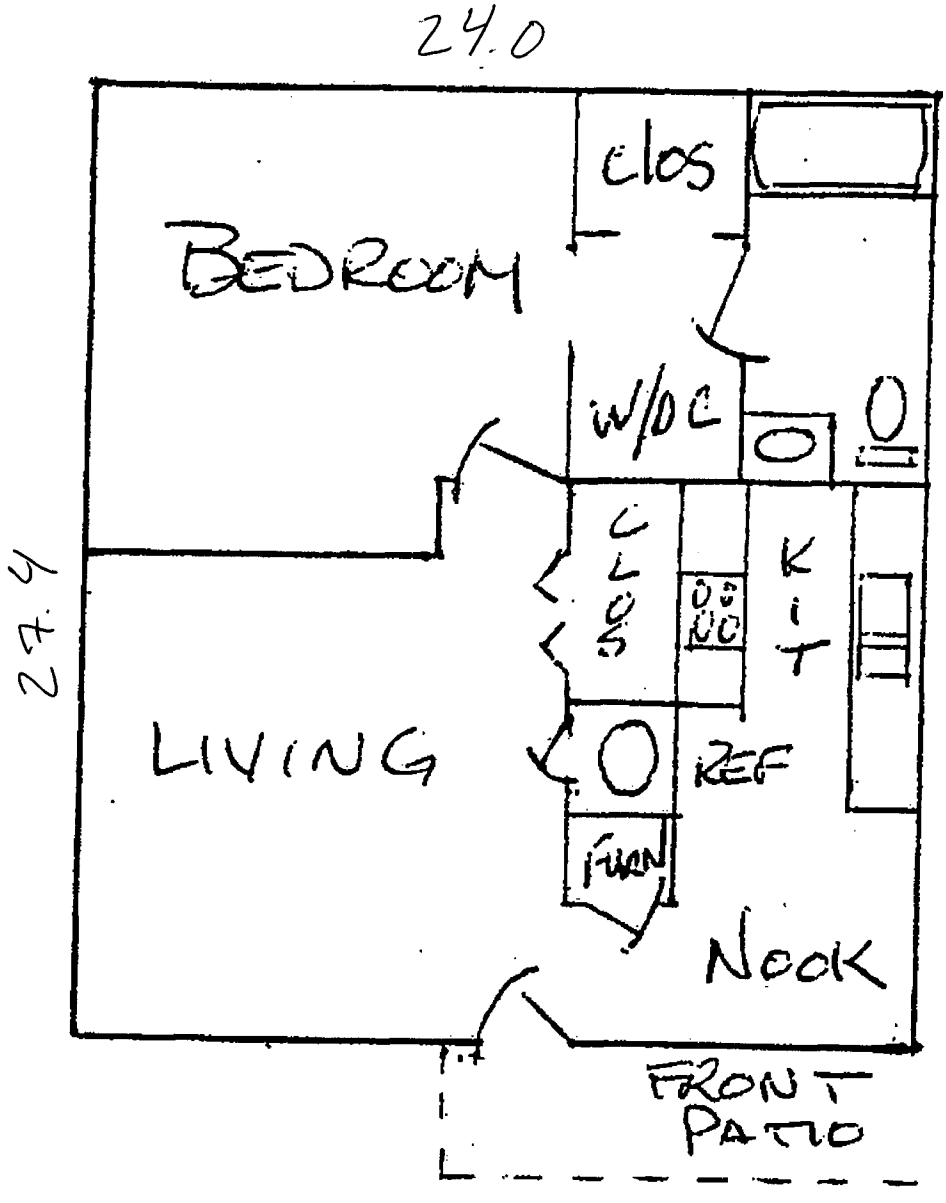
SUMMARY OF PROPOSED PROJECT

VILLAGE OF KAUFMAN

Current Site Address	405-440 E. 7th Street & 101-135 Village Drive, Kaufman, TX 75142
Project Name	Village of Kaufman
State whether the project is existing or proposed	Existing
Indicate housing type	Rehabilitation of Multi-Family Apartments (Intergenerational)
Owner name, contact name and phone number	Kaufman Leased Housing Associates I, Limited Partnership Mark Moorhouse ▪ 763.354.5613
Current Development Owner	The Village of Kaufman, Ltd. Ashley Poley (310) 258-5141
Number of Units	68
Acreage	7.88 Acres
Units per Acre	8.6
Parking	Adequate on-site parking
Existing Community Features	Management Office, Community Room/Kitchen

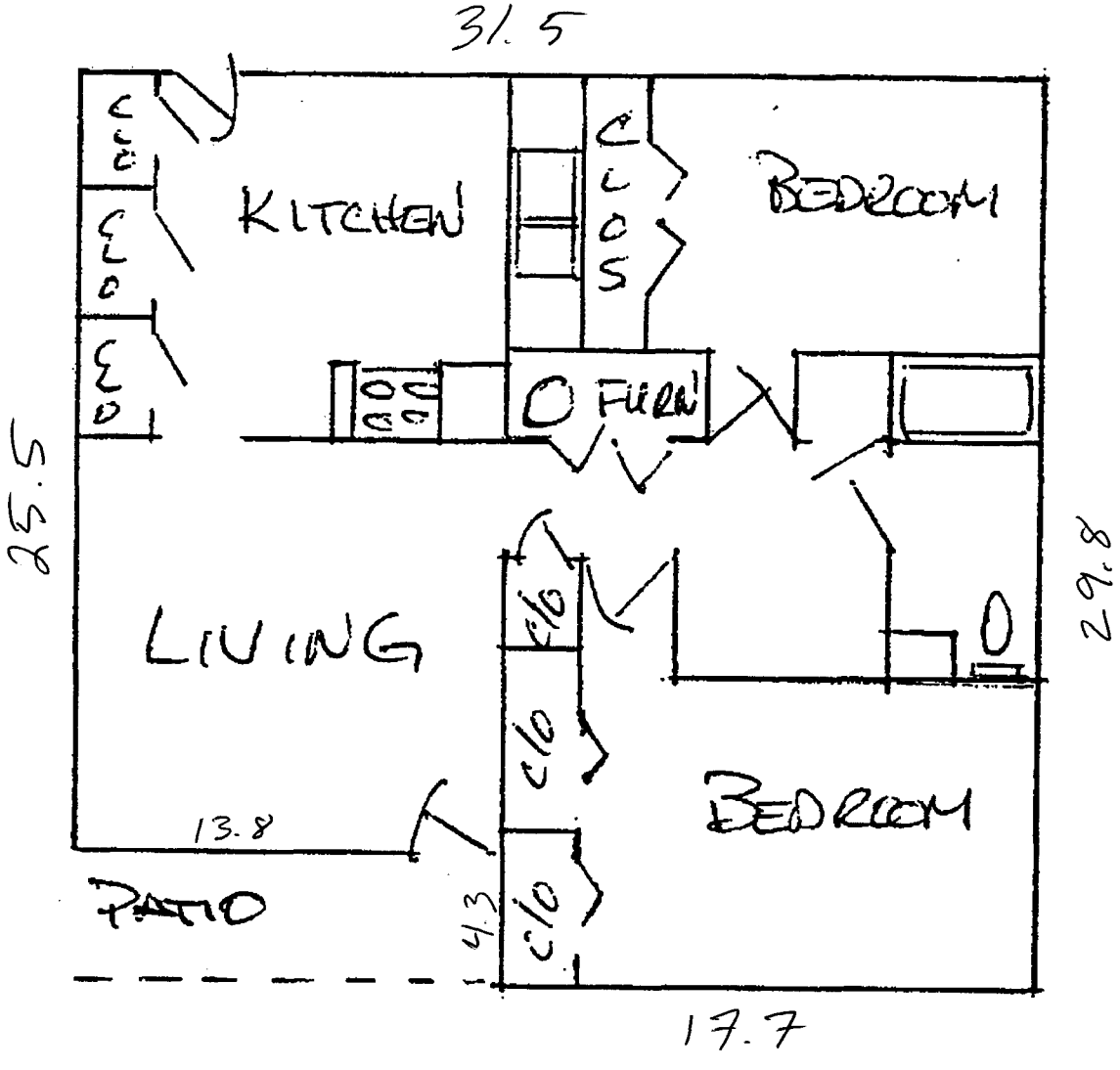
Rec'd TDHCA 6/15/2009

One Bedroom Apartment
658 Square Feet

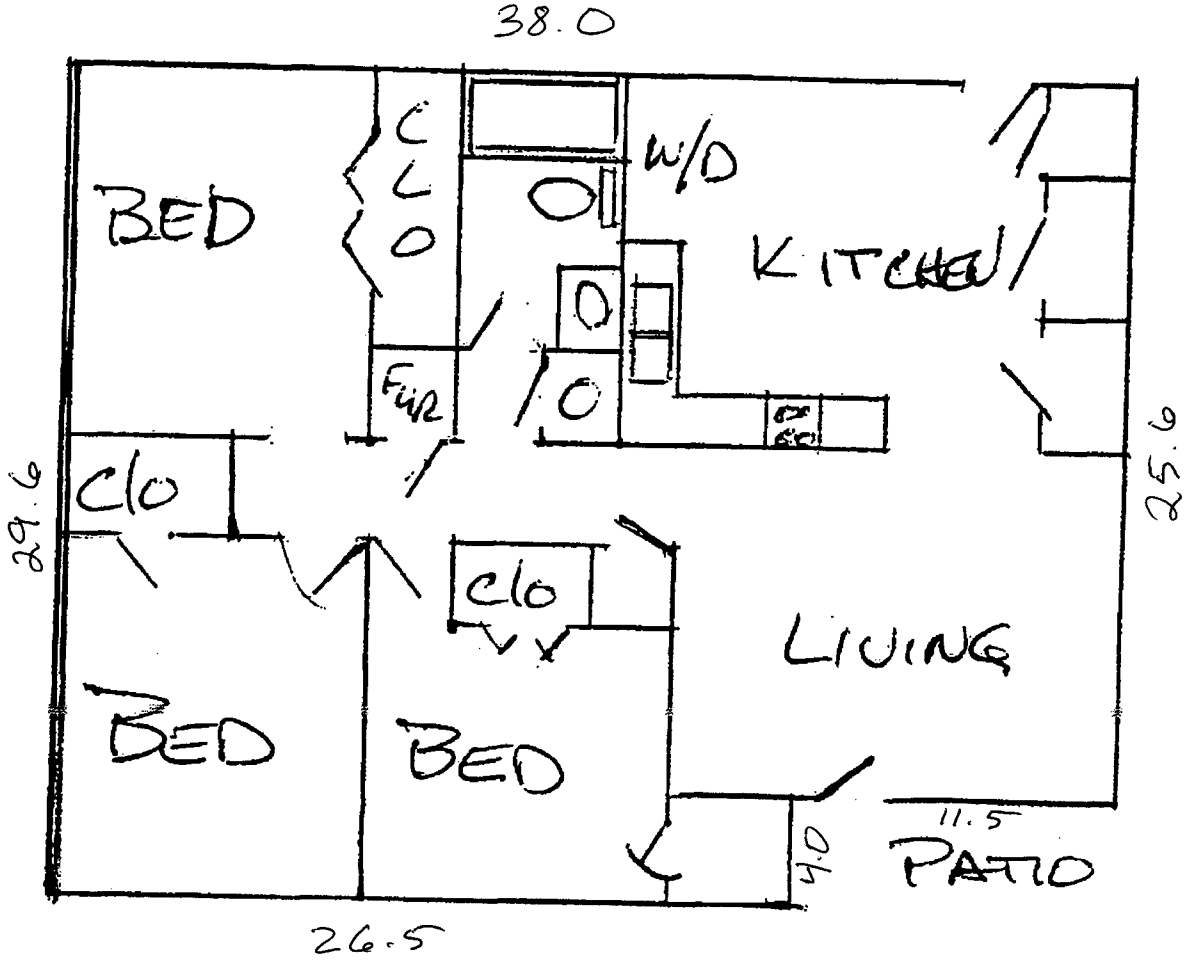


Rec'd TDHCA 6/15/2009

Two Bedroom Apartment
879 Square Feet



Three Bedroom Apartment
1,079 Square Feet



COMMITMENT FOR TITLE INSURANCE
Issued by

Rec'd TDHCA 6/15/2009

First American Title Insurance Company

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We, First American Title Insurance Company, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule B and Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

ATTEST

Mark R Arnesen

Secretary

First American Title Insurance Company

By: Gary L. Kennott

PRESIDENT

REPUBLIC TITLE OF TEXAS, INC.

Rose M. Boisse

Authorized Signature

ROSE M. BOISSE, SENIOR VICE PRESIDENT

ISSUING AGENT

REPUBLIC TITLE
2626 Howell Street, 10th Floor
Dallas, Texas 75204-4064
(214) 855-8888 Fax: (214) 855-8848

CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, Exceptions and Exclusions.

Rec'd TDHCA 6/15/2009

G.F. NO. 09R06462 ND5

POLICY NO. 09R06462

DELETION OF ARBITRATION PROVISION

(Not applicable to the Texas Residential Owner Policy)

ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator's award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is $2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

> "Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction."

_____ _____

SIGNATURE **DATE**

COMMITMENT:

1 COMMITMENT NUMBER	2 PROPERTY TYPE	3 COUNTY	4 PURCHASE PRICE	5	6 LOAN AMOUNT	7 EFFECTIVE DATE	8	9
09R06462	CI		$ 9,000,000.00		$	06/03/2009		

First American Title Insurance Company

SCHEDULE A

Effective Date: June 3, 2009 GF No. 09R06462 ND5

Commitment No. 09R06462, issued June 8, 2009, 08:30 AM.

1. The policy or policies to be issued are:

(a) OWNER POLICY OF TITLE INSURANCE (Form T-1) $ 9,000,000.00
(Not applicable for improved one-to-four family residential real estate)
Proposed Insured:
KAUFMAN LEASED HOUSING ASSOCIATES I, LIMITED PARTNERSHIP,
a Texas limited partnership

(b) TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE $
-- ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
Proposed Insured:

(c) MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2) $ To Be Determined.
Proposed Insured:
TO BE DETERMINED
Proposed Borrower:
KAUFMAN LEASED HOUSING ASSOCIATES I, LIMITED PARTNERSHIP,
a Texas limited partnership

(d) TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R) $
Proposed Insured:
Proposed Borrower:

(e) MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13) $
Proposed Insured:
Proposed Borrower:

(f) OTHER $
Proposed Insured:

2. The interest in the land covered by this Commitment is:
FEE SIMPLE

3. Record title to the land on the Effective Date appears to be vested in:
THE VILLAGE OF KAUFMAN, LTD., a Texas limited partnership

4. Legal description of land:
Tract 1: A.L. Carter Subdivision to the City of Kaufman, Texas, according to the Plat thereof recorded in Cabinet 1, Envelope 476, Plat Records, Kaufman County, Texas, and being more particularly described on Exhibit A attached hereto and made a part hereof for all purposes.

REPUBLIC TITLE OF TEXAS, INC.

Countersigned at DALLAS, TEXAS.

ROSE M. BOISSE, SENIOR VICE PRESIDENT
Authorized Signatory

This commitment is invalid unless the insuring provisions and Schedules A, B, and C are attached.

Rec'd TDHCA 6/15/2009

First American Title Insurance Company

GF Number: 09R06462 09R06462

SCHEDULE A

Tract 2: Village South Addition to the City of Kaufman, Texas, according to the Plat thereof recorded in Cabinet 1, Envelope 531, Plat Records, Kaufman County, Texas, and being more particularly described on Exhibit A attached hereto and made a part hereof for all purposes. (.7255 acres in Village Drive)

First American Title Insurance Company 09R06462

Exhibit A GF-Number 09R06462

Tract 1

All that certain lot, tract or parcel of land situated within the corporate limits of the City of Kaufman, Kaufman County, Texas, part of the Anna L. Carter Survey, Abstract No. 98 and part of that certain called 45.535 acre tract conveyed to Rodney Ray Adams by A.J. Kupper, et al, on February 5, 1974, and recorded in Volume 587, Page 608, of the Deed Records of Kaufman County, Texas, and being more completely described as follows, to wit:

BEGINNING at a punch hole in concrete found at the Northwest corner of Installment No. 3, of the Kaufman East Addition to the City of Kaufman and being at the Southwest corner of the above mentioned 45.535 acre tract;

THENCE North 11 degrees 32 minutes 39 seconds East, with the West line of said 45.535 acre tract, a distance of 377.05 feet to a 1/2 inch iron rod with cap found for corner, from which a 1/2 inch iron rod found bent bears South 64 degrees 21 minutes East, a distance of 0.51 feet;

THENCE South 78 degrees 27 minutes 21 seconds East, a distance of 100.00 feet to a 1/2 inch iron rod and a 1/2 inch iron rod with cap found at corner;

THENCE South 49 degrees 04 minutes 39 seconds East, a distance of 404.95 feet to an "X" cut in concrete, lying in the West line of the proposed extension of Royal Drive (50 feet wide);

THENCE South 11 degrees 14 minutes 02 seconds West, with the said West line, a distance of 350.00 feet to the intersection of same with the Northeast line of the above mentioned Installment No. 3 of Kaufman East Addition, from which a found 1/2 inch iron pipe bears South 40 degrees 03 minutes East, a distance of 0.60 feet;

THENCE North 57 degrees 46 minutes 58 seconds West with said Northeast line, a distance of 486.06 feet to the PLACE OF BEGINNING, and containing 4.011 acres of land, more or less.

And being the same property conveyed to The Village of Kaufman, Ltd., a Texas limited partnership from The Wallace-Dean Corporation, a Texas corporation pursuant to that certain Warranty Deed dated October 28, 1980, recorded September 15, 1981 in Deed Book 704, Page 829 among the Deed Records, Kaufman County, Texas.

Tract 2

All that certain lot, tract or parcel of land, part of the D. Falcon Survey, Abstract No. 151, Kaufman County, Texas, part of that certain called 15.0 acre tract conveyed to Calvin W. Williams by Humana of Texas, Inc. on April 15, 1977

and recorded in Volume 630, Page 271 of the Deed Records of Kaufman County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a found 1/2 inch iron rod for corner at the Southeast corner of theabove mentioned 15.0 acre tract and this tract, lying in the West Right of Way line of Old Hwy. No. 40, also known as County Road 151;

THENCE North 88 degrees 10 minutes 53 seconds West, with the South line of said 15.0 acre tract, a distance of 673.87 feet to a 1/2 inch iron rod for corner at the Southwest corner of the 15.0 acre tract and this tract;

THENCE North 01 degree 49 minutes 07 seconds East with the West line of said 15.0 acre tract, a distance of 290.00 feet to the Northwest corner of this tract, from which a 1/2 inch iron rod bears North 86 degrees 24 minutes 12 seconds East, a distance of 0.40 feet;

THENCE South 88 degrees 10 minutes 53 seconds East, a distance of 673.87 feet to a 1/2 inch iron rod found in the East line of said 15.0 acre tract and being in the West line of aforesaid Old Highway No. 40 and marking for the Northwest corner of this tract;

THENCE South 1 degree 49 minutes 07 seconds West, with said line a distance of 290.00 feet to the PLACE OF BEGINNING, containing 4.486 acres (195,422 square feet) of land and being now known as VILLAGE SOUTH ADDITION, an Addition in Kaufman County, Texas according to the Plat thereof recorded in Volume 11, Page 26, and now in Cabinet 1, Envelope 531 of the Plat Records of Kaufman County, Texas.

And being the same property conveyed to The Village of Kaufman, Ltd., a Texas limited partnership from Calvin W. Williams, pursuant to that certain Warranty Deed dated October 21, 1980, recorded October 29, 1981 in Deed Book 687, Page 245 among the Deed Records, Kaufman County, Texas.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

COMMITMENT FOR TITLE INSURANCE NO. 09R06462

SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):
   a. Restrictive covenants recorded in Volume 3189, Page 62, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [2]

   b. Restrictive covenants recorded in Volume 3189, Page 92, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [3]

   c. Restrictive covenants recorded in Volume 3189, Page 145, Real Property Records of Kaufman County, Texas. Any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), is deleted. [4]

2. ~~Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, protrusions, or any overlapping of improvements.~~ Shortages in Area. (Will be amended in owner's policy only upon receipt of required additional premiums.)

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner Policy only.)

4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities:
   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.

   (Applies to the Owner Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2009, and subsequent years; ~~and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership,~~ but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Mortgagee Policy (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2009 and subsequent years.")
   Company insures that standby fees, taxes and assessments by any taxing authority for the year 2009 are not yet due and payable. (amendment is for mortgagee policy only.)
6. The terms and conditions of the documents creating your interest in the land.

(CONTINUED ON NEXT PAGE)

COMMITMENT FOR TITLE INSURANCE NO. 09R06462

SCHEDULE B

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Mortgagee Title Policy binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Mortgagee Policy (T-2) only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Mortgagee Policy (T-2R). (Applies to Texas Short Form Residential Mortgagee Policy (T-2R) only. Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Mortgagee Policy (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
    a. Easement granted by the County of Kaufman by Monroe Ashworth, County Judge, to the State of Texas, dated 04/13/1939, filed 07/12/1939, recorded in Volume 264, Page 367, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [16]

    b. Easement granted by the County of Kaufman by Monroe Ashworth, County Judge, to Texas Power & Light Co., dated 07/10/1939, filed 08/28/1939, recorded in Volume 265, Page 147, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [17]

    c. Easement granted by Kaufman County, to Texas Power & Light Co., dated 03/10/1947, filed 07/26/1947, recorded in Volume 311, Page 467, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [18]

    d. 7.5' and 15' utility easements per plat recorded in Cabinet 1, Envelope 531, Plat Records of Kaufman County, Texas, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 2) [20]

    e. Mineral lease, and all rights incident thereto, to Amoco Production Company, as Lessee, from Rodney Ray Adams, as Lessor, described in instrument filed 01/04/1980, recorded in Volume 669, Page 511, Real Property Records of Kaufman County, Texas. Title to said interest not checked subsequent to the date thereof. Waiver of Surface Rights filed 08/21/1980, recorded in Volume 683, Page 381, Real Property Records of Kaufman County, Texas. (Affects Tract 2) [19]

    f. Rights of parties in possession and rights of tenants under any unrecorded leases or rental agreements. (may be amended or deleted upon execution of affidavit with respect to parties in possession and tenants at closing.) [13]

    g. Terms, provisions, and conditions of Use Agreement for Multifamily Projects Participating in the Mark-To-Market Program under the Multifamily Assisted Housing Reform and Affordability Act of 1997, dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 62, Real Property Records of Kaufman County, Texas. [8]

(CONTINUED ON NEXT PAGE)

h. Terms, provisions, and conditions of U.S. Department of Housing and Urban Development Housing - Federal Housing Commissioner Regulatory Agreement for Insured Multi-Family Housing Projects, (With Section 8 Housing Assistance Payments Contracts), dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 92, Real Property Records of Kaufman County, Texas. [9]

i. Terms, provisions, and conditions of U.S. Department of Housing & Urban Development Federal Housing Administration Regulatory Agreement For Mortgage Restructuring Deed of Trust Insured Multi-Family Housing Projects (With Section 8 Housing Assistance Payments Contracts), dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 145, Real Property Records of Kaufman County, Texas. [10]

j. Intentionally Deleted. [11]

k. Intentionally Deleted. [12]

l. Easement rights, if any, relative to overhead electric lines, power poles and sanitary sewer manhole, not located within an easement, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 1) [21]

m. Easement rights, if any, relative to overhead electric lines and sanitary sewer manhole, not located within an easement, as shown on survey prepared by Fred W. Lawton, RPLS No. 2321, dated 2/18/2009. (Affects Tract 2) [22]

COMMITMENT FOR TITLE INSURANCE NO. 09R06462

SCHEDULE C

Your Policy will not cover loss, costs, attorneys fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:

   - no person occupying the land claims any interest in that land against the persons named in paragragh 3 of Schedule A,

   - all standby fees, taxes, assessments and charges against the property have been paid,

   - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen's liens have attached to the property,

   - there is legal right of access to and from the land,

   - (on a Mortgagee Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. In accordance with Section 11.008 of the Texas Property Code, all deeds and deeds of trust transferring an interest in real property to or from an individual and disclosing that individual's social security number or driver's license number must include the following notice on the top of the first page of the instrument in 12 point bold or uppercase font: 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. [1]

6. With respect to item 2 of Schedule C above, the Company will not except in any policies to be issued pursuant to this commitment to 'Lack of a right of access to and from the land'. [14]

7. Require examination of partnership agreement of The Village of Kaufman, Ltd., to determine authority to act in this transaction. [15]

8. Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., a Texas Limited Partnership, to CHARLES F. HINTON, JR., Trustee, dated 10/28/1980, filed 10/28/1980, recorded in Volume 252, Page 823, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of $1,934,300.00, payable to HINTON MORTGAGE & INVESTMENT CO., and securing other indebtedness as described therein, if any. Ultimately assigned to THE CHASE MANHATTAN BANK, by instrument filed 04/24/2001, recorded in Volume 1705, Page 48, Real Property Records, Kaufman County, Texas. Said note and lien modified by instrument filed 08/17/1982, recorded in Volume 721, Page 304, Real Property Records, Kaufman County, Texas. Said note and lien modified by instrument

(CONTINUED ON NEXT PAGE)

filed 02/25/1994, recorded in Volume 1118, Page 786, Real Property Records, Kaufman County, Texas. [5]

9. Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., a limited partnership, to WILLIAM Z. FAIRBANKS, JR., Attorney at Law, Trustee, dated 06/20/2007, filed 06/26/2007, recorded in Volume 3189, Page 81, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of $631,800.00, payable to WELLS FARGO BANK, NATIONAL ASSOCIATION, and securing other indebtedness as described therein, if any. Said note further secured by UCC Financing Statement filed 06/26/2007, recorded in Volume 3189, Page 116, Real Property Records, Kaufman County, Texas. [6]

10. Mortgage Restructuring Deed of Trust from THE VILLAGE OF KAUFMAN, LTD., to WILLIAM Z. FAIRBANKS, JR., Attorney at Law, Trustee, dated 06/22/2007, filed 06/26/2007, recorded in Volume 3189, Page 124, Real Property Records of Kaufman County, Texas, securing a note in the principal sum of $1,264,707.96, payable to SECRETARY OF HOUSING AND URBAN DEVELOPMENT, or its successors and assigns, and securing other indebtedness as described therein, if any. Said note further secured by UCC Financing Statement filed 06/26/2007, recorded in Volume 3189, Page 171, Real Property Records, Kaufman County, Texas. [7]

First American Title Insurance Company

SCHEDULE D No: 09R06462 Page 1
GF-Number: 09R06462

The following disclosures are made pursuant to Procedural Rule P-21 promulgated by the Commissioner of Insurance:

You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this Commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm, or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium * is:

Owner Policy	$	43,342.35
Mortgagee Policy	$	
Endorsement charges	$	
Other	$	
Total	$	43,342.35

Of this amount: 15.000% will be paid to the policy issuing Title Insurance Company; 45.000% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows: 40.000% to COMMERCIAL PARTNERS TITLE for Title Evidence or Closing Services.

* The estimated premium is based upon information furnished us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance.

UNDERWRITER

First American Title Insurance Company, A California Corporation
(wholly owned subsidiary of The First American Corporation, a public company).

DIRECTORS:

D.P. Kennedy, Parker S. Kennedy, Gary J. Beban, J. David Chatham, William G. Davis, James L. Doti, Lewis W. Douglas, Jr., Paul B. Fay, Jr., Frank E. O'Bryan, Roslyn B. Payne, D. Van Skilling, Herbert B. Tasker and Virginia M. Ueberroth

OFFICERS:

Chairman of the Board and Chief Executive Officer: Parker S. Kennedy; President: Craig I. DeRoy; Senior Executive Vice President and Chief Financial Officer: Thomas A. Klemens; Executive Vice President and Chief Operating Officer: Dennis J. Gilmore; Executive Vice President, Lenders Services: Curt A. Caspersen; Executive Vice President, Technology: John M. Hollenbeck; Executive Vice President, Title Insurance and Services: Gary L. Kermott; Senior Vice President and General Counsel: Kenneth D. DeGiorgio; Senior Vice President and Chief Information Officer: Roger S. Hull; Senior Vice President and National Litigation Counsel: Timothy P. Sullivan; Vice President, Secretary and Corporate Counsel: Mark R. Arnesen; Vice President, Corporate Communications: Jo Etta Bandy; Vice President Regulatory Counsel and Special Counsel: James J. Dufficy; Vice President and Controller: Paul W. Knutson

DIRECT OPERATIONS:

Republic Title of Texas, Inc. (Dallas, TX)
William A. Kramer, Chairman of the Board
Ward Williford, Vice Chairman
Paul A. Pulliam, Chief Executive Officer
David A. Shuttee, President and Chief Operating Officer
Mike Richards, Executive Vice President
Dennis Eastland, Secretary/Treasurer

Rec'd TDHCA 6/15/2009

REPUBLIC TITLE

REPUBLIC TITLE OF TEXAS, INC.

a Subsidiary of

PRIVACY STATEMENT
of Republic Title of Texas, Inc.
and its underwriters,

First American Title Insurance Company, Lawyers Title Insurance Corporation, Commonwealth Land Title Insurance Company, Old Republic National Title Insurance Company, Stewart Title, Title Resources Guaranty Company

Republic Title of Texas, Inc. and its subsidiary and affiliated companies ("RTT") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains RTT's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. RTT follows the privacy practices described in this Privacy Statement and, depending on the business performed, RTT may share information as described herein.

Personal Information Collected

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

Disclosure of Personal Information

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements; and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies - We are permitted by law to share your name, address and facts about your transaction with other related companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties - We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

Confidentiality and Security of Personal Information

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

Access to Personal Information/
Requests for Correction, Amendment, or Deletion of Personal Information

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, RTT's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

General Counsel
Republic Title of Texas, Inc.
2701 West Plano Parkway, Suite 100
Plano, TX 75075

Changes to this Privacy Statement

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

TEXAS TITLE INSURANCE INFORMATION

Rec'd TDHCA 6/15/2009

Title insurance insures you against loss resulting from certain risks to your title. The Commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The Commitment is a legal document. You should review it carefully to completely understand it before your closing date.	El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad. El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

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

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy.

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

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

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

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

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

You can get a copy of the policy form approved by the State Board of Insurance by calling the Title Insurance Company at 1-800-347-7826 or by calling the title insurance agent that issued the Commitment. The State Board of Insurance may revise the policy form from time to time.

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

Before the Policy is issued, you may request changes in the policy. Some of the changes to consider are:

— Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey. On the Owner Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company, your Policy will insure you against loss becauses of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy.

— Allow the Company to add an exception to "rights of parties in possession." If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.

Rec'd TDHCA 6/15/2009

IMPORTANT NOTICE

FOR INFORMATION, OR
TO MAKE A COMPLAINT
CALL OUR TOLL-FREE TELEPHONE NUMBER

1-800-347-7826

ALSO
YOU MAY CONTACT
THE TEXAS DEPARTMENT
OF INSURANCE AT

1-800-252-3439

to obtain information on:

1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company or agent,
4. policyholder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO
THE TEXAS DEPARTMENT OF INSURANCE
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

AVISO IMPORTANTE

PARA INFORMACION, O
PARA SOMETER UNA QUEJA
LLAME AL NUMERO GRATIS

1-800-347-7826

TAMBIEN
PUEDE COMUNICARSE CON
EL DEPARTAMENTO DE SEGUROS
DE TEXAS AL

1-800-252-3439

para obtener información sobre:

1. como someter una queja en contra de una compañía de seguros o agente de seguros,
2. si una compañía de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compañía de seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a través del Departamento.

TAMBIEN PUEDE ESCRIBIR AL
DEPARTAMENTO DE SEGUROS DE TEXAS
P. O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 305-7426

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Rec'd TDHCA 6/15/2009

Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

Kaufman Leased Housing Development I, LLC
File Number: 801127063

The undersigned, as Secretary of State of Texas, hereby certifies that an Application for Registration for the above named Foreign Limited Liability Company (LLC) to transact business in this State has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing the authority of the entity to transact business in this State from and after the effective date shown below for the purpose or purposes set forth in the application under the name of

Kaufman Leased Housing Development I, LLC

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 05/26/2009

Effective: 05/26/2009

Hope Andrade
Secretary of State

Rec'd TDHCA 6/15/2009

Form 304
(Revised 1/06)

Return in duplicate to:
Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
512 463-5555
FAX: 512/463-5709
Filing Fee: $750

Application for Registration of a Foreign Limited Liability Company

This space reserved for office use.

FILED
In the Office of the
Secretary of State of Texas

MAY 26 2009

Corporations Section

1. The entity is a foreign limited liability company. The name of the entity is:

Kaufman Leased Housing Development I, LLC

2A. The name of the entity in its jurisdiction of formation does not contain the word "limited liability company" or "limited company" (or an abbreviation thereof). The name of the entity with the word or abbreviation that it elects to add for use in Texas is:

2B. The entity name is not available in Texas. The assumed name under which the entity will qualify and transact business in Texas is:

3. Its federal employer identification number is: 26-4331223

☐ Federal employer identification number information is not available at this time.

4. It is organized under the laws of: (set forth state or foreign country) Minnesota

and the date of its formation in that jurisdiction is: 02/25/2009
mm/dd/yyyy

5. As of the date of filing, the undersigned certifies that the foreign limited liability company currently exists as a valid limited liability company under the laws of the jurisdiction of its formation.

6. The purpose or purposes of the limited liability company that it proposes to pursue in the transaction of business in Texas are set forth below. The entity also certifies that it is authorized to pursue such stated purpose or purposes in the state or country under which it is organized.

Real estate development.

7. The date on which the foreign entity intends to transact business in Texas, or the date on which the foreign entity first transacted business in Texas is: 05/18/2009
mm/dd/yyyy

8. The principal office address of the limited liability company is:

2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447
Address	*City*	*State*	*Country*	*Zip/Postal Code*

Complete item 9A or 9B, but not both. Complete item 9C.

☐ 9A. The registered agent is an organization (cannot be entity named above) by the name of:

C T Corporation System

OR

☐ 9B. The registered agent is an individual resident of the state whose name is:

First Name	M.I.	Last Name	Suffix

9C. The business address of the registered agent and the registered office address is:

Street Address	City	State	Zip Code
350 N. St. Paul Street	Dallas	TX	75201

10. The entity hereby appoints the Secretary of State of Texas as its agent for service of process under the circumstances set forth in section 5.251 of the Texas Business Organizations Code.

11. The name and address of each governing person is:

IF INDIVIDUAL

First Name	M.I.	Last Name	Suffix
David	L.	Brierton	

OR

IF ORGANIZATION

Organization Name

Street or Mailing Address	City	State	Country	Zip Code
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447

IF INDIVIDUAL

First Name	M.I.	Last Name	Suffix
Jack	W.	Safar	

OR

IF ORGANIZATION

Organization Name

Street or Mailing Address	City	State	Country	Zip Code
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447

IF INDIVIDUAL

First Name	M.I.	Last Name	Suffix
Armand	E.	Brachman	

OR

IF ORGANIZATION

Organization Name

Street or Mailing Address	City	State	Country	Zip Code
2355 Polaris Lane North, Suite 100	Plymouth	MN	USA	55447

Text Area: [The attached addendum, if any, is incorporated herein by reference.]

Please see attached Addendum - Additional Governing Persons

A. ☒ This document becomes effective when the document is filed by the secretary of state.

B. ☐ This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: _____

C. ☐ This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90th day after the date of signing is: _____

The following event or fact will cause the document to take effect in the manner described below:

_____

_____

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: _____

Paul R. Sween, Vice President

Signature and title of authorized person on behalf of the foreign entity

Rec'd TDHCA 6/15/2009

ADDENDUM
ADDITIONAL GOVERNING PERSONS

NAME OF GOVERNING PERSON IF INDIVIDUAL				
Paul	R.	Sween		
First Name	*M.I.*	*Last Name*		
ADDRESS OF GOVERNING PERSON				
2355 Polaris Lane North, Suite 100		Plymouth	MN	USA 55447
Street or Mailing Address		*City*	*State*	*Country Zip Code*
NAME OF GOVERNING PERSON IF INDIVIDUAL				
Mark	S.	Moorhouse		
First Name	*M.I.*	*Last Name*		
ADDRESS OF GOVERNING PERSON				
2355 Polaris Lane North, Suite 100		Plymouth	MN	USA 55447
Street or Mailing Address		*City*	*State*	*Country Zip Code*
NAME OF GOVERNING PERSON IF INDIVIDUAL				
Christopher	P.	Barnes		
First Name	*M.I.*	*Last Name*		
ADDRESS OF GOVERNING PERSON				
2355 Polaris Lane North, Suite 100		Plymouth	MN	USA 55447
Street or Mailing Address		*City*	*State*	*Country Zip Code*

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms"and "Unit Size", then within the same "# of Bedrooms" and "unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: *(TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.*

501(c)(3) Mortgage Revenue Bond: *(MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%), Market Rate(MRBMR).*

HOME: *High (HH), Low (LH), Employee Occupied non LI unit (MR/EO), Market Rate (MR)*

Other: *describe any "Other" rental assistance or rent restrictions in the space provided; documentation supporting the rentl assistance or restrictions must be provided*

Housing Trust Fund *: (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF80%), Market Rate (MR)*

Units funded under more than one program, the "Program Rent Limit" should be the most restrictive - for example, a LH and TC60% unit would use the "LH" Program rent limit.

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unles documentation of project-based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: **Village of Kaufman** City: **Kaufman, TX**

HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other Designation/Subsidy	# of Units (A)	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)	Total Monthly Rent (A) x (E)
TC60%				S8 HAP	24	2	1.00	879	21,096	898	47	605	14,513
TC60%				S8 HAP	10	3	2.00	1,079	10,790	1,037	53	759	7,585
									0				-
TC50%				S8 HAP	21	1	1.00	658	13,818	623	33	493	10,360
TC50%				S8 HAP	2	2	1.00	879	1,758	748	47	605	1,209
									0				-
TC30%				S8 HAP	11	1	1.00	658	7,238	374	33	493	5,427
									0				-
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				TOTAL	68				54,700				39,094

Non Rental Income	$3.00	per unit/month for:	*Late Charges & Other Income*	204
Non Rental Income	0.00	per unit/month for:	*describe source here*	
Non Rental Income	0.00	per unit/month for:	*describe source here*	
+ TOTAL NONRENTAL INCOME	$3.00	per unit/month		204
= POTENTIAL GROSS MONTHLY INCOME				39,298
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 5.00%	1,955
- Rental Concessions				
= EFFECTIVE GROSS MONTHLY INCOME				37,343
x 12 = EFFECTIVE GROSS ANNUAL INCOME				448,121

Rec'd TDHCA 6/15/2009

Volume 1
Tab 4

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	$ 2,890,000	$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	$ 957,352	$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	$ 266,497	$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		$ 2,872,960	$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	$ 470,000	$ -	Capital Area HFC
15	Capitalized Expenses	N/A	$ 176,690	$ 176,690	N/A
16	In-Kind Equity/Deferred Developer Fee	3	$ 270,064	$ 270,064	N/A
TOTAL SOURCES OF FUNDS			$ 7,903,563	$ 7,903,563	
TOTAL USES OF FUNDS				$ 7,903,563	

(1) Indicate Exclusive Use Financing Paticipant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrustructure funds used only for off-site construction

Rec'd TDHCA 6/15/2009

ALLIANT

February 25, 2009

Dominium Development & Acquisitions, LLC
c/o Mr. Mark Moorhouse
2355 Polaris Lane N. Suite 100
Plymouth, MN 55447

Re: Kaufman Leased Housing Associates I, Limited Partnership

Dear Mr. Moorhouse

It has been a pleasure working with you regarding the above referenced project. The purpose of this correspondence is to advise you of Alliant Mortgage Company, Inc., ("Alliant") approval of providing construction and permanent loan financing for this project on the terms and conditions set forth below.

Borrower:	Kaufman Leased Housing Associates I, Limited Partnership
Property Address:	100 Village Dr. Kaufman, TX
Construction Loan Amount:	$2,890,000
Permanent Loan Amount:	$1,690,000; this loan amount is subject to 90% of appraised value based on restricted rents and a market cap rate.
Term:	Construction Phase of Loan – Construction Phase shall be that period of time until the project reaches rental achievement for three (3) consecutive months but not greater than twenty-four (24) months. Rental achievement shall be defined as not less than 90% of the units leased and occupied to qualifying tenants at rental rates approved by the lender. The construction loan will have one six (6) month extension at the borrower's option. Permanent Phase of Loan – Fifteen (15) years from the date the loan is converted to a permanent loan. Amortization schedule shall be thirty (30) years.

Rec'd TDHCA 6/15/2009

Interest rate:	Construction Loan: The construction interest rate will be set at the time of closing. The rate is based on prime plus 100 basis points. The interest rate will be variable for the entire term of the construction loan.	
	Permanent Loan: The permanent loan rate will be set and rate locked at the time of construction loan closing. The rate is based on a spread of approximately 260 basis points above the 30-year Treasury Bill. The spread is subject to change. The rate is projected to be 7.25%.	
Commitment Fee:	Construction Loan fee is 1.25%. 0.5% of the fee is due at acceptance of the construction loan commitment, with the balance (0.75%) paid at closing.	
	Permanent Loan fee is 1%. 0.5% paid upon acceptance of the loan commitment, with the balance (0.5%) paid at closing.	
Other Fees:	A construction administration fee of 0.20% paid at loan closing.	
Recourse:	Construction loan:	Personal guarantees required
	Permanent loan:	None, with the exception of customary, "carve-out'" for matters such as, but not limited to, fraud, misappropriation of funds, environmental matters, other bad acts, breach of Special Purpose Entity requirements, and breach of reporting requirements.
Anticipated Funding Date:	December 2009	
Minimum DSCR:	The minimum debt service coverage is 1.15 to 1.	
Loan To Value (Permanent):	90%; Based on Restricted Rents and using a market cap rate	
Construction Loan:	Loan is limited to 80% of costs.	
Minimum Occupancy:	90% for 3 consecutive months prior to loan conversion.	

Rec'd TDHCA 6/15/2009

Net Operating Income:	Required to be at a minimum of 90% of projected stabilized net operating income, for 3 consecutive months prior to conversion to permanent loan.
Minimum Low Income Housing Tenancy:	50%. The referenced project must be maintained as an affordable housing project as defined by Section 42 of the Internal Revenue Code and as per the terms of the applicable Low Income Housing Tax Credit State Letter.
Prepayment:	Partial prepayment is not allowed except for application of insurance proceeds or condemnation awards. Prepayment is not allowed in years 1-10; yield maintenance premiums will apply thereafter.
Security:	First priority mortgage encumbering the referenced project. First security interest in all furniture, fixtures, equipment, permits, documents and contracts. First priority assignment of leases, rents, profits, licenses, permits and contracts. Pledge of all escrow and reserve accounts.
Taxes and Insurance:	A monthly escrow deposit for taxes and insurance will be required.
Replacement Reserve:	$300 annually per unit subject to change pursuant to the recommendation of the third party reports referenced below. A monthly escrow deposit equal to 1/12 of the annual reserve amount will be required.
Third Party Reports:	An appraisal, environmental assessment report, and building condition survey, acceptable to Alliant in its sole authority. Dated not more than 6 months prior to closing will be required. The aforementioned third party reports must be received not less than 30 days prior to closing.
Additional Loan Expenses:	The borrower will pay all customary closing costs, including but not limited to, Alliant's application and processing fees, Alliant's legal fees, and third party due diligence reports.

Alliant shall have the right to assign its rights and obligations hereunder.
References herein to "credits" shall mean low income housing tax credits with respect to the property, in amounts satisfactory to Alliant.

Rec'd TDHCA 6/15/2009

Any materially adverse change in the condition of the Borrower or the Property, prior to funding in the sole discretion of Alliant will render this letter null and void. The subject loan shall be evidenced by loan documents executed on Alliant's form and acceptable to Alliant. If the above arrangement is acceptable to you, please execute and return this Term Sheet, by the close of business on August 30, 2009, otherwise this letter shall become null and void.

We look forward to working with you to bring this loan to a rapid closing. If you have any questions please call me at (740) 927-1077.

Sincerely yours,

Joel Hauenstein
V.P., Acquisitions

Kaufman Leased Housing Associates I, Limited Partnership
It's General Partner

By:_____

Rec'd TDHCA 6/15/2009

ALLIANT

February 25, 2009

Dominium Development & Acquisitions, LLC
c/o Mr. Mark Moorhouse
2355 Polaris Lane N. Suite 100
Plymouth, MN 55447

Re: **Village of Kaufman Leased Housing Associates I, Limited Partnership**

Dear Mr. Moorhouse

We are pleased to advise you that we have conditionally approved an equity investment in Village of Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership, which will own and operate a 68 unit affordable multi-family housing development to be known as Village of Kaufman Apartments, located in Kaufman, TX. This firm commitment is made subject to compliance with the financial information and projections provided to us in support of your request, and under the following terms and conditions:

Investment Entity:	Village of Kaufman Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the "Partnership"), with Village of Kaufman Leased Housing Associates I, LLC as General Partner with a .02% ownership interest in the Partnership, and Alliant Capital, Ltd. or its designated affiliate, as Limited Partner with a 99.98% ownership interest in the Partnership.
Tax Credits Available: State and Federal	$631,092 ("projected credits"). The Limited Partner is acquiring 99.98% of the partnership's tax credits; annual housing credit allocation of $630,966.
Net Federal Price to Partnership:	$0.72
Net Capital Contribution:	$4,542,960.
Equity Proceeds Pay-In Schedule:	Based on the terms of this letter agreement and the information, projections, and assumptions you have provided to us, equity contributions will be made to the

Partnership by the Limited Partner at the times and in the amounts set forth below:

1. $1,135,740 will be funded prior to or simultaneous with construction loan closing; said funds to be used solely for site acquisition, development and construction costs.

2. $908,592 will be funded the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1); and (b) at 50% construction completion.

3. $1,817,184 will be funded the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1); and (b) at 100% construction completion.

4. $681,444 will be funded upon the later to occur of: (a) satisfaction of all conditions precedent to the payment set forth in paragraph (1) and (2), (b) completion of construction of all the improvements sufficient for all units to be "placed in service," pursuant to IRC Section 42, (c) the issuance of temporary or final Municipal or County Occupancy Certificates, (d) receipt of the certification of qualified expenditures by an independent certified public accountant, (e) 90% qualified occupancy for three consecutive months ("Stabilized Operations"), and (f) the issuance of all Treasury Forms 8609.

Obligations of the General Partner and Guarantor(s):

Operating Deficit Guaranty: The General Partner and Guarantors will guarantee and agree to loan to the Partnership sufficient funds, for a period of 60 months following the date stabilized operations is achieved (the "Operating Deficit Guarantee Period"), to fund operating deficits.

Development Completion Guaranty: The General Partner and Guarantors will guarantee completion of construction of the Project substantially in accordance with plans and specifications approved by Alliant Capital, Ltd., including, without limitation, a guaranty: (i) to pay any amounts

needed in excess of the construction loan and other available proceeds to complete the improvements; and (ii) to pay operating deficits prior to the conclusion of Project construction.

Credit Adjusters: The General Partners will provide that, if in any year actual credits are less than Projected Credits, then Limited Partner shall be owed an amount necessary to preserve its anticipated return based on the Projected Credit.

Asset Management Fee (AMF): $10,000 per year.

Cash Flow Split: Cash Flow to the Partnership shall be distributed as follows:

a. To the Limited Partner, to make any tax credit adjuster payment not previously made;
b. To the payment of any debts, excluding any unpaid Development Fee, owed to the Partners and/or their affiliates, until all such debts have been paid in full;
c. To the payment of the AMF plus all accrued AMF unpaid from prior years;
d. To the payment of any unpaid Development Fee, until such fee has been paid in full;
e. The balance, 50% to the General Partner as an Incentive Property Management Fee and 50% to the partners in accordance with their ownership percentages.

All tax profits, losses, and credits from operations will be allocated 0.01% to the General Partner and 99.99% to the Limited Partner.

Residual Split: From Refinancing or Sale. Taxable profits and/or losses from a sale of the Property will be allocated among the Partners of the Partnership to adjust capital accounts as required by the Internal Revenue Code and in accordance with sale proceeds distributions.

Sale and Refinancing Proceeds will be distributed as follows:

a. Payment in full of all Partnership debts except those due to Partners and/or their affiliates;

Rec'd TDHCA 6/15/2009

b. To the Limited Partner, to make any tax credit adjuster payment not previously made;
c. To the payment of any debts owed to Partners and/or their affiliates until all such debts have been paid in full, and General Partners capital contribution;
d. The balance, 50% to the General Partner and 50% to the Limited Partner.

Replacement Reserves: $300/unit/year.

Other Terms and Conditions:

1) Allocation of tax credits from the state of Texas of at least $631,092;

2) Receipt, review, and approval of market study, environmental and geological reports, plans and specifications, contractor and such other conditions which are customary and reasonable for an equity investment of this nature and amount;

3) The Capital Contributions are determined on the projected credits delivered to Alliant Capital, Ltd. based on the lease-up schedule provided to Alliant Capital by the General Partner. Any changes in the timing of construction and/or lease-up may impact the timing and amounts of Capital Contributions.

Rec'd TDHCA 6/15/2009

In recognition of the time and expense to be spent by Alliant in evaluating this transaction prior to closing, Village of Kaufman Leased Housing Associates I, Limited Partnership, will deal exclusively with Alliant with respect to the transactions noted in this firm commitment letter until this firm commitment letter is terminated by either party. You hereby confirm that no other party presently has any right to acquire an interest in the Property or the Partnership.

Please execute and promptly return to us a copy of this commitment letter. The terms herein shall expire 10 business days after the date of this letter if your signed copy has not been received by us.

Very truly yours,

Alliant Capital, Ltd.

By: Alliant, Inc., its general partner

By:_____
Joel Hauenstein
V.P., Acquisitions

The foregoing is hereby agreed to and confirmed:

Village of Kaufman Leased Housing Associates I, Limited Partnership

By: Village of Kaufman Leased Housing Associates I, LLC, its General Partner

By: _____ Date:_____

Rec'd TDHCA 6/15/2009

CAHFC
CAPITAL AREA HOUSING
FINANCE CORPORATION

February 26, 2009

Kauffman Leased Housing Associates I, LP
c/o Mr. Lee Anderson
10580 Newkirk, Suite 304
Dallas, TX 75220

RE: Village of Kauffman

Dear Mr. Anderson,

This letter acknowledges receipt of your request for funding from Capital Area HFC in the amount of $470,000.00. The term of the loan is expected to be for 12 months or the length of the construction period, which ever is greater. The interest rate will be determined upon further underwriting of the development. Capital Area HFC further acknowledges that no portion of the funding for this proposed loan has been provided to the organization by the developer, consultant, applicant or any other member of the applicant's development team.

Should you have additional questions about the application, do not hesitate to call me at (512) 347-9903.

Sincerely,

Jim Shaw
Executive Director
Capital Area Housing Finance Corporation

4101 Parkstone Heights Drive, Suite 280, Austin, TX 78746 512.347.9953 512.732.8341 fax www.cahfc.org

Rec'd TDHCA 6/15/2009

Volume 3
Tab 3

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☐ I (We) certify that:
     - ☐ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☐ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form.* 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☒ I (We) certify that:
     - ☒ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☐ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written).*
   - ☒ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written).* All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial: [signature]

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 Pre-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.

☒ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on __/__/__ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written).*

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☒ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 2/23/09 Its: Manager
Signature of Applicant/Owner *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 23 day of February, 2009. (seal)

Judy A Rath 01/31/2012
Notary Public Signature *Commission Expires*

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

Rec'd TDHCA 6/15/2009

Sign International EXPRESS

Estimate No. ***4636***

Estimate Printed On 2/18/2009 01:18:15PM

Dominium Development & Acquisition
Attn: Judy Rath
2355 Polaris Lane North Suite 100
Plymouth, MN 55447

Acct #: 7175
Terms: 50% Down/50% COD
Phone: 763-354-5618
Fax: 763-249-8712

Prepared For Judy Rath,

Thank you for taking time with me, and for your interest in Sign International Express!
If you have any questions please feel free to call.
This quote is good for 30 days.

Estimate Description
2 pc. 48"x 96" white MDO signs with a 1 color vinyl graphic (black) single sided to be fabricated and installed in Kaufman Texas

Item	1	Category	MDO		Product Code	MDO .50			
Quantity	2.00	Color	WHITE	Size	48 INCH x 1 INCH x 9	Sides	1	Price @	$887.51
Description	Fabricate and install 2 pcs. 48"x 96" white MDO sign with a 1 color vinyl graphic (black) single sided in Kaufman Texas								$1,775.02
	**Proofs will be provided before prouduction								

Notes:

Sub-Total	$1,775.02
Sales Tax	$146.44
Shipping	$0.00
Total:	**$1,921.46**

Yours Sincerely,

Scott Bryson

TO: Michael Gerber, Executive Director of the Texas Department of Housing & Community Affairs (TDHCA)

CC: Robbye Meyer, Director of Multifamily Finance
Sharon Gamble, Multifamily HTC Program Administrator
Jeffrey Spicer, State Street Housing

FROM: Mark Moorhouse, Manager of Kaufman Leased Housing Associates I, LLC

DATE: May 14th, 2009

RE: Appeal regarding Notice of Ineligibility for Application #09308—Village of Kaufman Apartments

---

In response to the letter dated May 8th, 2009 from Robbye Meyer please accept this response as a formal appeal. It was stated in the letter that the application for 9% tax credits for Village of Kaufman Apartments (#09308) was being terminated because a "thorough review can not be reasonably performed." There were several "omissions, clarifications or corrections" noted in the letter that led to this finding by TDHCA staff members.

While several of these deficiency items were accurate, there were also several of them that noted inconsistencies or omissions that were either not inconsistent or were provided in the electronic application that was submitted to TDHCA. If these items were removed from the list provided by TDHCA the list of deficiency items is a shorter list that is primarily signature pages that were accidentally left out of the application. In addition, some of the items listed by TDHCA staff are not listed as requirements in the application or weren't shown in the directions for certain tabs of the application.

Based on the following item by item responses to the deficiency items noted and applicable back-up that is provided, these items have been either resolved or noted as already being resolved in the application previously submitted. These items could have been resolved quickly and thoroughly through the normal deficiency notice process, as they have been here.

Our response to each deficiency item is listed below in bold and italics.

Item-by-item Response to Omissions, Clarifications, or Corrections Noted by TDHCA

1. Volume 1, Tab 2, Part B, Rent Schedule: The form includes non-rental income that is not described.

The non-rental income was already described as "Late Charges & Other Income." The majority of the $204/month, or $2,448 per year, is late charges with some nominal amount for application fees. <Page 9 of original PDF Application>

2. Volume 1, Tab 2, Part C Utility Allowances: Supporting documentation for the utility allowances was not provided.

The HUD Rent Schedule that was referenced was attached as part of the application under Volume 3, Tab 6. <Page 237 of original PDF Application> I have attached it for reference as well.

3. Volume 1, Tab 2, Part F, Building/Unit Configuration: The square footage and number of bathrooms indicated on this form are inconsistent with the Rent Schedule.

There are no inconsistencies between the Volume 1, Tab 2, Part B and Volume 1, Tab 2, Part F. Both pages show the same breakdown of units and square footage. <Page 9 and page 14 of the original PDF Application>

Volume 1, Tab 2, Part B shows: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 9 of the original PDF Application>

Volume 1, Tab 2, Part F shows the same: 32 One Bedroom, One Bathroom apartments at 658 square feet; 26 Two Bedroom, One Bath apartments at 879 square feet; and 10 Three Bedroom, Two Bathroom apartments at 1,079 square feet. <Page 14 of the original PDF Application>

4. Volume 1, Tab 3, Part A, Development Cost Schedule: The owner's requested credits stated in this form is inconsistent with Volume 1, Tab 1.

See attached and updated Volume 1, Tab 1, Part C showing the correct credit amount. The amount shown in the Development Cost Schedule is correct.

5. Volume 1, Tab 5, Part A, Sources and Uses: The source for the Capitalized Expenses and Inkind/Deferred Developer Fee is not indicated.

Neither of these sources are "cash sources." There is no source for Capitalized Expenses; these are costs that are incurred during construction and are capitalized for tax purposes and included in eligible basis. The Deferred Developer Fee also has no source as it is only deferred developer fee and payable out of cash flow over time. The development entity, Kaufman Leased Housing Development I, LLC will be deferring this estimated amount of development fee. See attached and updated Volume 1, Tab 4, Part A, Sources and Uses.

6. Volume 1, Tab 5, Part A, Sources and Uses: The amounts on the form are inconsistent with the commitment letters.

All sources of funds shown on Volume 1, Tab 5, Part A tie to the commitment letters. There are no inconsistencies. The "Conventional Loan," the "HTC Syndication Proceeds," and the "Private Loan or Grant" all tie. The Deferred Developer Fee and the Capitalized Expenses are non-cash sources and are calculated estimates. The Assumed HUD Notes and Replacement Reserves are not new money and therefore it is impossible to provide a new commitment of the funds. However, the assumption of this note is noted in the purchase agreement on page 158 of the original PDF Application.

7. Volume 1, Tab 5, Part A Financing Narrative: The financing narrative was not provided.

Per the directions on Volume 1, Tab 5, Part B a narrative is not a requirement. It only states if can be used to explain items "other than grants, loans or equity." All sources for Village of Kaufman are either loans or equity.

8. Volume 1, Tab 5, Part B, Financing Participants: The form is inconsistent with the Sources and Uses and commitment letters.

Capitalized Expenses were shown roughly $3k too low on this form; it has been updated and attached. All other items tie and there aren't any inconsistencies.

9. Volume 1, Tab 5, Part B, List of Organizations: Housing Services Incorporated should be listed separately on the form.

Please see updated form adding Housing Services Incorporated separately.

10. Volume 1, Tab 5, Part D, Certification of Principal: The form was not provided for any of the entities.

Please see updated forms for all the entities; they were mistakenly left out of the application.

11. Volume 1, Tab 7, Part E, Part II, Credit Limit Certification: The form was not provided for Kaufman Leased Housing Associates GP I, LLC.

This form was mistakenly left out of the application, please see attached form.

12. Volume 1, Tab 8, Relevant Development: The box for Intergenerational, consistent with Volume 1, Tab 1, was not checked.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

13. Volume 2, Tab 1, Site Information: The housing type Intergenerational, consistent with Volume 1, Tab 1, was not selected.

This tab is correct; the scattered site is both family and elderly. One site is family and one site is elderly, there is no mixing of the family or elderly units. Volume 1, Tab 1, Part A was incorrect and has been updated and attached to reflect the fact it is not an intergenerational site.

14. Volume 3, Tab 1, Site Plan: The site plan submitted is from a document that is in draft form, has no dimensions and no scale.

There were two site plans attached behind Volume 3, Tab 1 for each site. One was a hand drawn site plan and the other was the survey. The survey has all the dimensions (and a scale). <They were included on pages 151 and 152 of the original PDF Application>

15. Volume 3, Tab 1, Site Plan: The plan does not indicate whether there are separate entrances or separate personnel in the leasing office for elderly and non-elderly residents.

The plan accurately represents the leasing office location. There is not a separate leasing office or entrance for elderly and family residents. It is operationally infeasible for a 68 unit site to have two separate leasing offices. One community manager and a temporary leasing agent is more than sufficient staffing to handle both family and elderly current and potential residents.

16. Volume 3, Tab 1, Unit Floor Plans: The three-bedroom floor plan is inconsistent with Volume 1, Tab 2, Part F Building/Unit Configuration.

The information provided by the Seller and their broker indicated that the Three Bedroom apartments had 2 bathrooms. After further discovery, post application submittal, it has been determined that the three bedroom units only have one bathroom. These forms have been updated to reflect the fact that there is only one bathroom in the three bedroom units.

17. Volume 3, Tab 1, Unit Floor Plans: The square footage on the unit floor plans is inconsistent with the rent schedule and the Part F Building/Unit Configuration.

The square footages included in the rent schedule and the building/unit configuration is taken directly from the attached rent roll provided by the Seller. The estimated square footages in Volume 3, Tab 1 are only an estimate. We relied on the rent roll for accuracy. Depending on how the calculation is done there can be differences in square footage for units, i.e. net rentable versus gross. For a rehabilitation property for which original plans aren't available it is difficult to get an exact square footage or to avoid different calculations of square footage.

18. Volume 3, Tab 2, Site Information Form: Evidence of all sellers of the property since December 8, 2005 was not provided.

There have been no sellers of the property since December 8, 2005. The current owner has and continues to own it throughout that entire period. In addition, with the passing of the 2008 Housing and Economic Recovery Act the 10-year hold rule has been waived as a requirement to earn acquisition basis on all Project Based Section 8 sites, which Village of Kaufman is.

19. Volume 3, Tab 2, Site Control: An escrow receipt executed by the title company was not provided.

There is no escrow receipt because there is no earnest money held in escrow by the title company. According to the option agreement included in the application there was a fee paid to the Seller for the purchase of an option. This money was wired directly to the

Seller and a copy of this wire transfer is attached. <The Purchase Option Agreement is located on page 158 of the original PDF Application>

20. Volume 3, Tab 2, Title Commitment: A title commitment for the development site showing the name of a member of the development owner or Developer as the proposed insured and showing the seller as the current owner of the property was not provided.

At the time title was ordered the Buyer, Kaufman Leased Housing Associates I, Limited Partnership was not created and/or organized so the developer, Dominium Development & Acquisition through Kaufman Leased Housing Development I, LLC, had the title put in their name as the proposed insured. The proposed insured will be renamed to Kaufman Leased Housing Associates I, Limited Partnership. On page 4 of the commitment (page 180 of the original PDF Application) the Seller is listed as The Village of Kaufman, Ltd., a Texas limited partnership.

21. Volume 3, Tab 3, Certification of Notifications: The fifth sub-box under the second main box, indicating you have no knowledge of any neighborhood organizations, was not selected.

Please see updated certification, that box was mistakenly left unchecked.

22. Volume 3, Tab 3, Signage: A photograph of the public notification sign was not provided.

Please see attached photo, the sign was installed the day the application was due and the photo was unable to be provided with the application. The sign installer also certified (see attached) that the signs were installed pursuant to TDHCA requirements.

23. Volume 3, Tab 4, Organizational Documents: The certificate of name reservation for Kaufman Leased Housing Development I, LLC was not provided.

The submission to the Texas Secretary of State for the name reservation for Kaufman Leased Housing Development I, LLC has been submitted. We are currently waiting for the state confirmation and will provide upon receipt. This entity was created as a Minnesota entity and if necessary will receive a "doing business as" in Texas (d.b.a.). Also, please see attached Articles of Organization and EIN for Kaufman Leased Housing Development I, LLC.

24. Volume 3, Tab 4, Organizational Documents: Evidence of authority to do business in Texas for Housing Services, Inc. and Polaris Holdings I, LLC was not provided.

Polaris Holdings I, LLC is a special limited partner and will have no operational or decision making authority and therefore is not needed to be authorized to do business in Texas.

Housing Services Incorporated is a non-profit based in Texas and has provided its Certificate of Experience with the application. Their registration and good standing documents are also attached.

25. Volume 3, Tab 5, Certifications and Financials: Financial statements for Housing Services Inc. and Polaris Holdings I, LLC were not provided.

Polaris Holdings I, LLC is not required by law to have financial statements and they are a special limited partner with no operational or decision making authority. Housing Services Incorporated financial statements are attached.

26. Volume 3, Tab 6, Occupied Rehabilitations: A current rent roll that includes the terms and rate of each least, the rent, unit mix, tenant names or vacancy, date of first occupancy and date of expiration of each lease was not provided.

Please see attached rent roll.

27. Volume 3, Tab 6, Occupied Rehabilitations: A statement identifying the number of tenants that qualify under the Intergenerational target population was not provided.

The development is not intergenerational; it is a scattered site development with one site consisting of family units and the other site consisting of elderly units. There is no mention in the directions of Volume 3, Tab 6 that there must be some sort of statement provided, which is why there was no statement provided.

Rec'd TDHCA 6/15/2009

Rent Schedule
Low Rent Housing

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

RECEIVED
JUL 21 2008

OMB Approval No. 2502-0012
(Exp. 3/31/2010)

See page 3 for instructions, Public Burden Statement and Privacy Act requirements.

Project Name	FHA Project Number	Date Rents Will Be Effective
Village of Kaufman Apartments / TX16-0017-021	113-35326	July 1, 2008

Part A -- Apartment Rents

Show the actual rents you intend to charge, even if the total of these rents is less than the Maximum Allowable Monthly Rent Potential.

Col. 1 Unit Type (Include Non-revenue Producing Units)	Col. 2 Number of Units	Contract Rents: Col. 3 Rent Per Unit	Contract Rents: Col. 4 Monthly Contract Rent Potential (Col. 2 x Col. 3)	Col. 5 Utility Allowances Effective Date: (mm/dd/yyyy) 3/1/2005	Col. 6 Gross Rent (Col. 3 + Col. 5)	Market Rents (Section 236 Projects Only): Col. 7 Rent Per Unit	Market Rents (Section 236 Projects Only): Col. 8 Monthly Market Rent Potential (Col. 2 x Col. 7)
1 BR	32	$486	$15,552	$33	$519	N/A	N/A
2 BR	26	$596	$15,496	$47	$643		
3 BR	10	$747	$7,470	$53	$800		
Total Units	68	Monthly Contract Rent Potential (Add Col. 4)*	$38,518			Monthly Market Rent Potential (Add Col. 8)*	N/A
		Yearly Contract Rent Potential (Col. 4 Sum x 12)*	$462,216			Yearly Market Rent Potential (Col. 8 Sum x 12)*	N/A

*These amounts may not exceed the Maximum Allowable Monthly Rent Potential approved on the last Rent Computation Worksheet or requested on the Worksheet you are now submitting. Market Rent Potential applies only to Section 236 Projects.

Part B -- Items Included in Rent

Equipment/Furnishing in Unit (Check those included in rent.)

☑	Range	☐	Dishwasher	☑	Smoke Detector
☑	Refrigerator	☑	Carpet	☑	Vinyl Flooring
☑	Air Conditioner	☐	Drapes	☑	Bath Exhaust Fan
☐	Disposal	☑	Miniblinds	☑	Carbon Monoxide Detector

Utilities Check those included in rent. For each item, (even those not included in rent), enter E, F, or G on line beside that item): E= Electric: G=Gas: F=Fuel Oil or Coal.

☑	Heating	E	☑	Hot Water	E	☐	Lights, etc. E
☑	Cooling	G	☐	Cooking	E	☑	Water/Sewer

Services/Facilities (check those included in rent)

☑	Parking	☑	Trash removal	☑	Ceiling Fans
☑	Coin-Op Laundry	☑	Recreation Rm.	☑	Vinyl Tile
☐	Swimming Pool	☑	Landscaping	☑	Cable Hook-ups
☐	Tennis Courts	☑	Exterminator	☑	W/D Hook-ups

Part C -- Charges in Addition to Rent (e.g., parking, cable TV, meals)

Purpose	Monthly Charge
N/A	

Part D -- Non-Revenue Producing Space

Col. 1 Use	Col. 2 Unit Type	Col. 3 Contract Rent
N/A		
Total Rent Loss Due to Non-Revenue Units		

Part E -- Commercial Space (retail, offices, garages, etc.)

Col. 1 Use	Col. 2 Monthly Rent Potential	Col. 3 Square Footage	Col. 4 Rental Rate Per Sq. Ft. (Col. 2 divided by Col. 3)
N/A			
		Total Commercial Rent Potential	

Part F -- Maximum Allowable Rent Potential

Enter maximum Allowable Monthly Rent Potential From Rent Computation Worksheet (to be completed by HUD or Lender): **$38,518**

3. Funding Request

Complete the table below to describe this Application's funding request.

TDHCA Programs for which this Application will be used:	Requested Amount	If the award will be in the form of a loan, the requested terms are:		
		Interest Rate (%)	Amortization (Yrs)	Term (Yrs)
HOME Activity Funds	$			
HOME CHDO Operating Expenses	$			
Housing Trust Fund	$			
Housing Tax Credit (Annual amount)	$ 637,724			
Private Activity Mortgage Revenue Bond	$			
501(c) (3) Mortgage Revenue Bond	$			

4. Previously Awarded State and Federal Funding

Has this site/activity previously received TDHCA funds? ☐ Yes ☒ No

If "Yes", enter Project #_____ and TDHCA Funding Source _____

Has this site/activity previously received non-TDHCA federal funding? ☐ Yes ☒ No

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

Volume 1, Tab 4. Funding Request

PART A. Summary Sources and Uses of Funds

Describe all sources of funds and total uses of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Participants and Development Cost Schedule forms). Where funds such as tax credits, loan guarantees, bonds are used, only the proceeds going into the development should be identified so that "sources" match "uses."

Applicants must attach a written narrative to this form that describes the financing plan for the Development. The narrative shall include: (a) any non-traditional financing arrangements; (b) the use of funds with respect to the Development; (c) the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and (d) the commitment status of the funding sources

Development Name: **Village of Kaufman**

Source #	Funding Description	Priority of Lien	Construction or Rehab. Loan Stage Amt.	Permanent Loan Stage Amount	Financing Participants
1	Conventional Loan	1	$ 2,890,000	$ 1,690,000	Alliant Capital
2	Assumed HUD 2nd Mortgage (Cash Flow Note)	2	$ 957,352	$ 957,352	HUD
3	Assumed HUD Held Replacement Reserves	N/A	$ 266,497	$ 266,497	HUD
4	HOME				
5	Housing Trust Fund				
6	CDBG				
7	Mortgage Revenue Bonds				
8	HTC Syndication Proceeds		$ 2,872,960	$ 4,542,960	Alliant Capital
9	Historic Tax Credit Syndication Proceeds				
10	USDA/ TXRD Loan(s)				
11	Other Federal Loan or Grant				
12	Other State Loan or Grant				
13	Local Government Loan or Grant				
14	Private Loan or Grant	4	$ 470,000	$ -	Capital Area HFC
15	Capitalized Expenses	N/A	$ 176,690	$ 176,690	Capitalized Costs During Constr.
16	In-Kind Equity/Deferred Developer Fee	3	$ 270,064	$ 270,064	Deferred Developer Fee
TOTAL SOURCES OF FUNDS			$ 7,903,563	$ 7,903,563	
TOTAL USES OF FUNDS				$ 7,903,563	

(1) Indicate Exclusive Use Financing Paticipant only where funds from that source are dedicated only for a specific purpose, i.e. CDBG infrustructure funds used only for off-site construction

PART B. FINANCING PARTICIPANTS (additional participants)

All current and proposed non-TDHCA financing sources should be identified below. Use additional sheets if necessary and/or attach a written narrative to further describe any funding source other than grants, loans or equity described herein. A copy of the commitment letter for each funding source confirming the elements below should be attached, if applicable. The "Source #" should correspond to those listed on the "*Summary Sources and Uses of Funds*" form. Subsequent changes to the proposed financing participants require TDHCA written consent.

Source #: 3 Amount: $ 266,497 ☐ Interim ☐ Permanent ☒ Equity Commitment Date / /

Source Name: Assumed HUD Replacement Reserves Contact Name: Not Applicable

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Replacement Reserves

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☐ **Syndication** Tax Credits Estimate: $ Syndication Factor: $ Per Credit Dollar

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Source #: 8 Amount: $ 4,542,960 ☐ Interim ☐ Permanent ☒ Equity Commitment Date 02/25/09

Source Name: HTC Syndication Proceeds (Alliant Capital) Contact Name: Joel Hauenstein

Address: 119 Fairfax Court City: Granville State: OH ZIP: 43023

Phone: (740) 927-1077 Fax: (740) 927-0014

Level of Commitment: ☐ Closed ☐ Firm ☒ Conditional ☐ Letter of Interest ☐ Other: (Describe)

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☒ **Syndication** Tax Credits Estimate: $ 6,309,662 Syndication Factor: $ .72 Per Credit Dollar

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Source #: 15 Amount: $ 176,690 ☒ Interim ☐ Permanent ☐ Equity Commitment Date / /

Source Name: Capitalized Expenses Contact Name: Not Applicable.

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) -

Level of Commitment: ☐ Closed ☐ Firm ☐ Conditional ☐ Letter of Interest ☒ Other: Captalized Expenses

☐ **Grant** Terms:

☐ **Loan** ☐ Recourse ☐ Non-Recourse Amortization Term: yrs Repayment Term: yrs

Interest Rate: % ☐ Fixed ☐ Adjustable ☐ Floating

Rate Index: Annual Payment $ Lien Priority

☐ **Syndication** Tax Credits Estimate: $ Syndication Factor: $ Per Credit Dollar

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Ownership Entity: Kaufman Leased Housing Associates I, Limited Partnership

Contact Name: Mark S. Moorhouse
Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447
Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
Applicant and Ownership Entity 100%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/19/09
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☒ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: General Partner: Kaufman Leased Housing Associates GP I, LLC (Housing Services Incorporated)

Contact Name: Lee Anderson
Address: 10580 Newkirk,Suite 304 City: Dallas State: TX ZIP: 75220
Phone: (214) 696-6077 Fax: (214) 594-9188 Email: landerson@hsiusa.org

Name(s) and Ownership % of Entities the Organization Owns or Controls:
General Partner and Limited Partnership .005%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/19/09
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Developer: Kaufman Leased Housing Development I, LLC

Contact Name: Mark S. Moorhouse
Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447
Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
Developer 0%

Is Organization legally formed? ☒Yes ☐No Date of formation: 2/25/2009
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Housing Services Incorporated
Contact Name: Lee Anderson
Address: 10580 Newkirk, Suite 304 City: Dallas State: TX ZIP: 75229
Phone: (214) 696-6077 Fax: (214) 594-9188 Email: landerson@hsiusa.org

Name(s) and Ownership % of Entities the Organization Owns or Controls:
Owner of General Partner (Kaufman Leased Housing Associates GP I, LLC) 100%

Is Organization legally formed? ☒ Yes ☐ No Date of formation: 11/17/03
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☒ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Administrative Limited Partner: To be determined Alliant entity and investor
Contact Name: Joel Hauenstein
Address: [redacted] City: Granville State: OH ZIP: 43023
Phone: (740) 927-1077 Fax: (740) 927-0014 Email: joel.hauenstein@alliantcapital.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
[redacted] .01%

Is Organization legally formed? ☐ Yes ☒ No Date of formation: N/A
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name: Investor Limited Partner: To be determined Alliant entity and investor
Contact Name: Joel Hauenstein
Address: 119 Fairfax Court City: Granville State: OH ZIP: 43023
Phone: (740) 927-1077 Fax: (740) 927-0014 Email: joel.hauenstein@alliantcapital.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:
See applicant chart, exact entity name to be determined 99.98%

Is Organization legally formed? ☐ Yes ☒ No Date of formation: N/A
Legal Form of Organization is or will be (mark all that apply):
☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☒ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):
☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5
PART B. LIST OF ORGANIZATIONS WITH AN OWNERSHIP OR SPECIAL INTEREST IN THE APPLICANT

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates[2] that will have an ownership interest in or that will exercise control over the Applicant. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. (Information on natural persons will be provided in "*Part C. List of Organizations with an Ownership Interest in the Applicant.*") However, if the Applicant is directly owned or controlled by a person or persons, then the individual's information should be provided below and in the "*List of Principals of Organizations with an Ownership Interest in the Applicant*" form. Organizations that are Developers and/or guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee.

Organization Legal Name: Special Limited Partner: Polaris Holdings I, LLC

Contact Name: Mark S. Moorhouse

Address: 2355 Polaris Lane North, Suite 100 City: Plymouth State: MN ZIP: 55447

Phone: (763) 354-5613 Fax: (763) 354-5633 Email: mmoorhouse@dominiuminc.com

Name(s) and Ownership % of Entities the Organization Owns or Controls:

Special Limited Partnership and Limited Partnership .005%

Is Organization legally formed? ☒ Yes ☐ No Date of formation: 11/05/04

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☒ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):

☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

Organization Legal Name:

Contact Name:

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) - Email:

Name(s) and Ownership % of Entities the Organization Owns or Controls:

%

Is Organization legally formed? ☐ Yes ☐ No Date of formation:

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):

☐ Historically Underutilized Business ☐ Federal Tax Exemption ☒ Community Housing Development Org.

Organization Legal Name:

Contact Name:

Address: City: State: ZIP:

Phone: ( ) - Fax: ( ) - Email:

Name(s) and Ownership % of Entities the Organization Owns or Controls:

%

Is Organization legally formed? ☐ Yes ☐ No Date of formation:

Legal Form of Organization is or will be (mark all that apply):

☐ For-profit Corporation ☐ Nonprofit Corporation ☐ General Partnership ☐ Limited Partnership
☐ Limited Liability Company ☐ Unit of Local Government ☐ Housing Authority ☐ Individual/DBA

Other Designations (mark all that apply):

☐ Historically Underutilized Business ☐ Federal Tax Exemption ☐ Community Housing Development Org.

[2] Affiliate – An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include General Partners, Special Limited Partners and Principals with an ownership interest.

Volume 1, Tab 5

PART D. CERTIFICATION OF PRINCIPAL

This certification must be signed and filed ***by each natural person and by an authorized person on behalf of each organization*** *that, either directly or through ownership of an intermediary organization, is the Applicant, will have an ownership interest in the Development Owner, Developer, Guarantor or any organization, that will receive more than 10% of the developer fee, or that, directly, will receive more than 10% of the developer fee. For nonprofit organizations, government instrumentalities and publicly traded corporations,* ***the executive director and members of the board must sign even if such persons have no ownership****.*

I hereby apply to the Texas Department of Housing and Community Affairs for approval to participate in the Application activity as a Principal of the Applicant. I certify that all statements made by me in the "*Participants in the Application Information*" section of the Application and related exhibits are true, complete, and correct and are made in good faith. I further certify that:

1) The Participants in the Application Information, Previous Participation Certification, herein after referred to as the "Previous Participation Certification" contains a listing of every development activity that received TDHCA funding, which I have been or am now a Principal.

2) I am not, and have not been barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs.

3) I have not 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 years preceding the Application deadline.

4) At the time of Application, I am not, and have not been suspended, debarred, or subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; subject to a federal tax lien; the subject of an enforcement proceeding with any Governmental Entity; or otherwise restricted by any department or agency of federal or state government from doing business with such department or agency.

5) I do not propose to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless I also propose to maintain for a period of 30 years or more 100% of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50% of the Area Median Gross Income, adjusted for family size; and at least one-third of all the units in the Development are public housing units or Section 8 Development-based units.

6) I have no previous funding contracts or commitments that have been partially or fully deobligated due to a failure to meet contractual obligations during the 12 months prior to the submission of the Application.

7) I have not been, during the five-year period preceding the date of the submission of the Application, convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or been assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

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   a) I have not been arrested, indicted, convicted, or imprisoned for a felony during the last ten years, and am not presently the subject of a complaint or indictment charging for a crime of moral turpitude.
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   a) A mortgage in default, assigned or foreclosed, nor has mortgage relief by the lender been given;
   b) To the best of my knowledge, unresolved findings raised as a result of Departmental or HUD audits, management reviews or other governmental investigation concerning me or my developments, or contract;

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d) the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The Applicant hereby asserts that he has read and understands all the information contained in Part C. (this section) of the Application. By signing this document, Applicant is affirming 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 2003 & Supp. 2007).

Kaufman Leased Housing Associates GP I, LLC
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009. (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

List the "Applicant Legal Name" followed by the "Program Code" for each current or pending TDHCA Application in which this entity is a Principal. Use the following program codes: HOME Program = HM, Housing Trust Fund = HT, Housing Tax Credit = HTC, Office of Colonia Initiatives = OC, Tax-Exempt Private Activity Mortgage Revenue Bond = TP, 501 (c)(3) Tax-Exempt Mortgage Revenue Bond = TM: _____

Volume 1, Tab 5

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TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2003 & Supp. 2007).

Polaris Holdings I, LLC
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Vice President
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009. (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

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Notary Public Signature *Commission Expires*

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Volume 1, Tab 5

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Kaufman Leased Housing Associates I, Limited Partnership
Entity/Person Represented by this form

By: _____ 5/11/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 11 day of May, 2009 (seal)

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

_____ 01/31/2012
Notary Public Signature *Commission Expires*

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Volume 1, Tab 5

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Kaufman Leased Housing Development I, LLC
Entity/Person Represented by this form

By: _____ 5/14/09 Its: Manager
Signature of Applicant/Owner/Authorized Person *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 14 day of May, 2009 (seal)

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Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

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Part II. Credit Limit Certification

Instructions: Each Person or Entity indicated on the Development Owner's and Developer's organizational charts must complete this form, including the Applicant, Developer, Related Party or Guarantor, nonprofit entities, public housing authorities, publicly traded corporations, individual board members, and executive directors.

Application Development Name: Village of Kaufman

Applicant Name: Kaufman Leased Housing Associates I, Limited Partnership

Name and role of Person or Entity Completing this Form (must match Part I):

Name: Mark S. Moorhouse for Kaufman Leased Housing Associates GP I, LLC

which is:
- ☐ the Applicant for a tax credit allocation.
- ☒ a Developer for the Applicant for this specific Application
- ☐ a Related Party to the Applicant.
- ☐ a Guarantor on the Application.

Address: 2355 Polaris Ln. N, Suite 100 City: Plymouth State: MN ZIP: 55447

The Rules of the Texas Department of Housing and Community Affairs (the "Department") provide in Section 49.6(d) of the QAP that the Department shall not allocate more than $2 million of tax credits from the 2009 Application Round to any Applicant, Developer, Related Party, or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Related Party, or Guarantor, has applied for an allocation of 2009 tax credit authority from the Department in the 2009 Application Round.

Development Name:	City:	If Joint Venture: % Ownership:	% of Dev Fee:
Village of Kaufman	Kaufman		

In order to encourage the capacity enhancement of developers, the Department will prorate the credit amount allocated in situations where an Application includes a joint venture with an inexperienced Developer. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developer is required to be submitted behind this form. This provision applies to both Urban and Rural Development.

This Application includes a Joint Venture: ☐ **Yes** ☒ **No**

I hereby certify that the foregoing is a complete list of Developments with respect to which I have sought an allocation of 2009 tax credit authority from the Department. I certify that, if the Department issues a recommendation to the Board which may cause Applications for which I am the Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, to receive credits in excess of $2 million, I agree to notify the Department immediately and within three business days provide the notification in writing by facsimile to the Department's HTC Program.

I acknowledge that if the Department determines that an Applicant, an Affiliate of the Applicant, the Developer, Related Party, or Guarantor, has received (in the aggregate) allocations in the 2009 Application Round from the Department exceeding $2 million, the Department must refuse to issue a Commitment Notice or Carryover Allocation, or must terminate a Commitment Notice or Carryover Allocation, with respect to the Application which exceed $2 million.

Under penalty of perjury, I certify that this information and these statements are true, complete and accurate:

By: _____ 5/12/09 Its: Manager

Signature of Person or Entity *Date*

Additional pages of this form can be found at the "2009 Additional Forms" link on the Department's website.

2009 MULTIFAMILY UNIFORM APPLICATION

Texas Department of Housing and Community Affairs (TDHCA)
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

The undersigned hereby makes Application to TDHCA for financial assistance. The Applicant has read and understands the Application instructions, has read and understands **§49.9(c), Adherence to Obligations, of the 2009 Qualified Allocation Plan and Rules,** and certifies that all information herein is true and correct to the best of their knowledge and belief. **By signing this document, Applicant is affirming that all statements and representations made in this 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 2003 & SUPP. 2007).**

Submitted Application must be signed by a representative with authority to execute documents on the Applicant's behalf.

Applicant's Authorized Representative's Signature	Mark S. Moorhouse, Manager *Representative's Printed Name, Title*	2/23/09 *Date*

Volume 1, Tab 1
PART A. ACTIVITY OVERVIEW

1. Multifamily Rental Development Name and Location

Development Name:	Village of Kaufman	Region:	3
Address:	421 E. 7th Street	ZIP Code:	75142
City:	Kaufman	County:	Kaufman
If a Pre-Application was submitted, enter TDHCA assigned Development number:	09222		

2. Target Population (Check Only One):

☒ Family
☒ Elderly
☐ Intergenerational Housing

PART B. APPLICANT INFORMATION

Provide the contact data for the Applicant's staff person who is responsible for Application and contract administration. This primary contact will not be the consultant or the end service provider.

1. Applicant Contact Information

Applicant Legal Name:	Kaufman Leased Housing Associates I, Limited Partnership						
Applicant Contact Name:	Mark S. Moorhouse						
Mailing Address:	2355 Polaris Lane North, Suite 100	City:	Plymouth	State	MN	ZIP:	55447
Phone:	(763) 354-5613	Fax:	(763) 354-5633	Email:	mmoorhouse@dominiuminc.com		

If Applicant's *"Physical Address"* is different from the *"Mailing Address,"* provide the physical address below:

Applicant Physical Address:			
City:	State:	ZIP:	

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Required for All Rental Developments)

Unit types should be entered from smallest to largest based on "# of Bedrooms"and "Unit Size", then within the same "# of Bedrooms" and "unit Size" from lowest to highest "Rental Income/Unit".

Type of Unit designation should be one or more of the following based on the unit's rent restrictions:

Tax Credit: (TC30%), (TC40%), (TC50%), (TC60%), Employee Occupied (EO), Market Rate (MR), as allowed by Sec. 42.

501(c)(3) Mortgage Revenue Bond: (MRB), (MRB30%), (MRB40%), (MRB50%), (MRB60%), Market Rate(MRBMR).

HOME: High (HH), Low (LH), Employee Occupied non LI unit (MR/EO), Market Rate (MR)

Other: describe any "Other" rental assistance or rent restrictions in the space provided; documentation supporting the rentl assistance or restrictions must be provided

Housing Trust Fund : (HTF30%), (HTF40%), (HTF50%), (HTF60%), (HTF80%), Market Rate (MR)

Units funded under more than one program, the "Program Rent Limit" should be the most restrictive - for example, a LH and TC60% unit would use the "LH" Program rent limit.

The rent and utility limits available at the time the Application Packet is submitted should be used to complete this form. Gross Rent cannot exceed the HUD maximum rent limits unless documentation of project-based rental assistance is provided. The unit mix and net rentable square footages must be consistent with the site plan and architectural drawings.

Development Name: **Village of Kaufman** City: **Kaufman, TX**

HTC Unit Designation	HOME Unit Designation	HTF Unit Designation	MRB Unit Designation	Other Designation/Subsidy	# of Units (A)	# of Bed-rooms	# of Baths	Unit Size (Net Rentable Sq. Ft.) (B)	Total Net Rentable Sq. Ft. (A) x (B)	Program Rent Limit	Tenant Paid Utility Allow.	Rent Collected /Unit (E)	Total Monthly Rent (A) x (E)
TC60%				S8 HAP	24	2	1.00	879	21,096	898	47	605	14,513
TC60%				S8 HAP	10	3	1.00	1,079	10,790	1,037	53	759	7,585
									0				-
TC50%				S8 HAP	21	1	1.00	658	13,818	623	33	493	10,360
TC50%				S8 HAP	2	2	1.00	879	1,758	748	47	605	1,209
									0				-
TC30%				S8 HAP	11	1	1.00	658	7,238	374	33	493	5,427
									0				-
									0				-
									0				-
									0				-
									0				-
									0				-
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									0				-
									0				-
									0				-
									0				-
				TOTAL	68				54,700				39,094

Non Rental Income	$3.00	per unit/month for:	*Late Charges & Other Income*	204
Non Rental Income	0.00	per unit/month for:	*describe source here*	
Non Rental Income	0.00	per unit/month for:	*describe source here*	
+ TOTAL NONRENTAL INCOME	$3.00	per unit/month		204
= POTENTIAL GROSS MONTHLY INCOME				39,298
- Provision for Vacancy & Collection Loss			% of Potential Gross Income: 5.00%	1,955
- Rental Concessions				
= EFFECTIVE GROSS MONTHLY INCOME				37,343
x 12 = EFFECTIVE GROSS ANNUAL INCOME				448,121

Volume 1, Tab 2. Populations Served

Part B. Rent Schedule (Cont.)

HOUSING TAX CREDITS	TC30%	11
	TC40%	0
	TC50%	23
	TC60%	34
	HTC LI Total	68
	TCEO	0
	MR	0
	MR Total	0
	TC Total	68
MORTGAGE REVENUE BOND	MRB30%	0
	MRB40%	0
	MRB50%	0
	MRB60%	0
	MRB LI Total	0
	MRBMR	0
	MRBMR Total	0
	MRB Total	0

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
HOME	HOME HH	0
	HOME LH	0
	HOME LI Total	0
	MR/EO	0
	MR	0
	MR Total	0
	HOME Total	0
OTHER	Total OT Units	68

Note: Pursuant to 49.9(h)(7)(C), any local, state or federal financing identified in this section which restricts household incomes at any AMGI lower than restrictions required pursuant to the Rules must be identified in the Rent Schedule and the local, state or federal income restrictions must include corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g), Internal Revenue Code. The income and corresponding rent restrictions will be continuously maintained over the compliance and extended use period as specified in the LURA.

Volume 1, Tab 2. ACTIVITY OVERVIEW

Part F. Building/Unit Type Configuration (Required for All Rental Developments)

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 unhiding the columns between J and Z in Excel.

Development Name: **Village of Kaufman** City: **Kaufman, TX**

				Building Configuration							Total # of Buildings	
				Building Label	Bldg "A" (Site 1)	Bldg "B" (Site 1)	Bldg "A" (Site 2)	Bldg "B" (Site 2)				
				Number of Buildings	1	8	5	12			**26**	
Unit Type				Number of Units Per Building							Total # of Units	Total Sq Ft for Unit Type
Unit Label	# of Bedrooms	# of Baths	Sq. Ft. Per Unit									
1 BR	1	1	658		4						**32**	**21,056**
2 BR	2	1	879	2			2				**26**	**22,854**
3 BR	3	1	1,079			2					**10**	**10,790**
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
											-	-
				Totals	2	32	10	24	-	-	-	68	54,700

Net Rentable Square Footage from Rent Schedule 54,700

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
		N/A		Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	**38,518.00**	**34,905.00**	**0.00**	**34,905.00**	**13,379.00**

-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	**68**	**804**	**566.44**	**0.70**	**562.98**	**0.70**	**62**	**91.18**	**2**

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	**38,518.00**	**68**	**38,412.00**

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	**34,905.00**

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	**34,905.00**

Rec'd TDHCA 6/15/2009

BREMER BANKING • INVESTMENTS • TRUST • INSURANCE

eBiz

OPTIONS | HELP | EXIT

Summary | Accounts | Funds Management | Fraud Management | Print

General Wire: Funds Transfer Detail as of 03/04/2009 9:42 AM Eastern Standard Time

Transfer Information

Transfer Type:	Domestic Wire
Current Status:	Approved
Placement Date & Time:	03/04/2009 9:42 AM Eastern Standard Time
Transfer Date:	03/04/2009
Transfer Amount:	1,000.00
Confirmation Number:	114887269
Display Group:	Wire Transfer
Recurring:	No

Account Information

From Institution R/T Number:	0960-10415
From Account Type:	Demand Deposit
From Account:	7106553
From Account Nickname:	DDA 25x4 Operating

Employee Information

Employee Name:	Lynn Schlagel (06)
Employee Group:	
Reviewing Employee Name:	

Receiving Information

Institution R/T Number:	0530-00219
Institution Name:	Wachovia
Institution Address:	
Institution City State Zip:	Charlotte NC

Beneficiary Information

Beneficiary Institution R/T Number:	0530-00219
Beneficiary Institution Name:	Wachovia
Beneficiary Institution Address:	
Beneficiary Institution City State Zip:	Charlotte NC
Beneficiary Account Type:	Demand Deposit
Beneficiary Account:	2000010968907
Beneficiary Name:	AIMCO Properties Partnership Concentrati
Beneficiary Address:	none provided
Beneficiary City State Zip:	
Beneficiary Instructions:	Village of Kaufman 042734 Purchase Option Pmt
Message:	eBiz Domestic Wire Transfer

CUT OFF TIMES PRIVACY STATEMENT CONTACT US

Copyright Information Technology, Inc. 2001 - 2009

9101 1515-0100 (Correct Name)

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☐ I (We) certify that:
     - ☐ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☐ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form.* 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☒ I (We) certify that:
     - ☒ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☐ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written).*
   - ☐ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written).* All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial:

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 Pre-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.

☒ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on __/__/__ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☒ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 5/12/09 Its: Manager
Signature of Applicant/Owner *Date*

STATE OF: Minnesota
COUNTY OF: Hennepin

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Mark S. Moorhouse, whose 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 official seal this 12 day of May, 2009 (seal)

Judy A. Rath
Notary Public Signature

01/31/2012
Commission Expires

JUDY A. RATH
Notary Public-State of Minnesota
My Commission Expires
January 31, 2012

Rec'd TDHCA 6/15/2009

signinternational
ARCHITECTURAL SIGNAGE

409.832.0117
Fax 409.842.5659
P.O. Box 20054
Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 100 – 135 Village Drive, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
Name: Scott Bryson
Title: Signs International Express
Date: February 27, 2009

Rec'd TDHCA 6/15/2009

signinternational
ARCHITECTURAL SIGNAGE

409.832.0117
Fax 409.842.5659
P.O. Box 20054
Beaumont, Texas 77720-0054

Interior Sign Systems

Exterior Sign Systems

Architectural Directories

Cast Plaques

Cast Letters

Fabricated Letters

Channel Letters

Flat Cut Letters

Plastic Letters

Site Signage

Post and Panel Signage

Pylon Signage

Traffic Signage

Regulatory Signage

Marquees

CERTIFICATION OF SIGN INSTALLATION

I, the undersigned, hereby certify that a public notification board was installed at Village of Kaufman, 405 – 440 E. 7th Street, Kaufman, TX 75142 by 5:00 pm on 2/27/09.

Signature: Scott Bryson
Name: Scott Bryson
Title: Signs International Express
Date: February 27, 2009

Rec'd TDHCA 6/15/2009

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community Village of Kaufman, located at 100-135 Village Drive, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 3.76 acres.

There will be a public hearing to receive public comment on the proposed development.

Date: April 7, 2009 Time: 6:00 p.m.

Location: J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Domin um Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www tdhca.state tx.us

Board TDHCA 8/15/2009

NOTICE TO PUBLIC

PROPOSED MULTIFAMILY RESIDENTIAL RENTAL COMMUNITY

Kaufman Leased Housing Associates I, Limited Partnership has made application to the Texas Department of Housing and Community Affairs for Housing Tax Credits for the proposed acquisition and rehabilitation of a multifamily residential rental community, Village of Kaufman, located at 405-440 E 7th Street, Kaufman, Kaufman County, Texas, 75142. This development community will be comprised of 34 units on 4.12 acres.

There will be a public hearing to receive public comment on the proposed development.

Date. April 7, 2009 Time: 6:00 p.m.

Location. J. Erik Johnson Central Library Auditorium, 1515 Young St., Dallas, TX

For information on the proposed application including how to qualify or leasing information, please contact Owen Metz, Kaufman Leased Housing Associates I, LP (c/o Dominium Development & Acquisition, LLC) located at 2355 Polaris Lane North, Suite 100, Plymouth, MN 55447 and telephone number is (763) 354-5500.

To submit comment on this application or to inquire about the Housing Programs in general, contact the Texas Department of Housing and Community Affairs, 221 East 11th Street, Austin, Texas 78701 or by telephone at (512) 475-3340 or view our website at www.tdhca.state.tx.us

Rec'd TDHCA 6/15/2009 32209780003

LLC-OR

ARTICLES OF ORGANIZATION
OF
KAUFMAN LEASED HOUSING DEVELOPMENT I, LLC

The undersigned organizer, being a natural person 18 years of age or older, in order to form a limited liability company under Minnesota Statutes, Chapter 322B, hereby adopts the following Articles of Organization:

ARTICLE I.
NAME

The name of the Company is: Kaufman Leased Housing Development I, LLC (the "Company").

ARTICLE II.
REGISTERED OFFICE AND REGISTERED AGENT

The registered office of the Company is located at 2355 Polaris Lane, Suite 100, Plymouth, Minnesota 55447.

ARTICLE III.
ORGANIZER

The name and address of the organizer of this Company is as follows:

Paul R. Sween
2355 Polaris Lane North, Suite 100
Plymouth, MN 55447

ARTICLE IV.
TERM

The Company shall have a perpetual duration.

ARTICLE V.
DISSOLUTION

The Company shall not be dissolved or required to be wound up upon the occurrence of any event set forth in Section 322B.80, Subd. 1(5) of the Act and such events shall not trigger dissolution of the Company.

ARTICLE VI.
CUMULATIVE VOTING; PREEMPTIVE RIGHTS

No member of this Company shall have any cumulative voting rights. No member of this Company shall have any preemptive rights under Minnesota Statutes, Section 322B.33, to make contributions of a certain amount or to make a contribution allowance agreement specifying future contributions of a certain amount before the Company may accept new contributions from other persons or make contribution allowance agreements with other persons.

ARTICLE VII.
WRITTEN ACTION OF BOARD

Any action required or permitted to be taken at a meeting of the Board of Governors of the Company not needing approval by the members, may be taken by written action signed by the number of governors that would be required to take such action at a meeting of the Board of Governors at which all governors are present.

ARTICLE VIII.
LIMITATION OF LIABILITY

No governor of the Company shall be personally liable to the Company or its members for monetary damages for breach of fiduciary duty by such governor as a governor; provided, however, that this Article VIII shall not eliminate or limit the liability of a governor to the extent provided by applicable law (i) for any breach of the governor's duty of loyalty to the Company or its members, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 322B.56 or 80A.23 of the Minnesota Statutes, (iv) for any transaction from which the governor derived an improper personal benefit or (v) for any act or omission occurring prior to the effective date of this Article VIII. No amendment to or repeal of this Article VIII shall apply to or have any effect on the liability or alleged liability of any governor of the Company for or with respect to any acts or omissions of such governor occurring prior to such amendment or repeal.

ARTICLE IX.
FIRST GOVERNORS

The names of the first governors of this Company are as follows:

David L. Brierton
Jack W. Safar
Armand E. Brachman
Paul R. Sween
Mark S. Moorhouse
Christopher P. Barnes

Rec'd TDHCA 6/15/2009

ARTICLE X.
MANAGEMENT

The Company will be managed by its Board of Governors, as further provided in the Company's Operating Agreement. Except as authorized by the Board of Governors, no member is an agent of the Company or has the authority to make any contracts, enter into any transactions or make any commitments on behalf of the Company.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this ___ day of February, 2009.

Paul R. Sween, Organizer

4336030v1

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
FEB 25 2009
Mark Ritchie
Secretary of State

Rec'd TDHCA 6/15/2009

Internal Revenue Service
United States Department of the Treasury

EIN Assistant

Your Progress: 1. Identity ✓ 2. Authenticate ✓ 3. Addresses ✓ 4. Details ✓ 5. EIN Confirmation

Congratulations! The EIN has been successfully assigned.

EIN Assigned:	26-4331223
Legal Name:	KAUFMAN LEASED HOUSING DEVELOPMENT I LLC

The confirmation letter will be mailed to the applicant. This letter will be the applicant's official IRS notice and will contain important information regarding the EIN. Allow up to 4 weeks for the letter to arrive by mail.

We strongly recommend you print this page for your records.

Click "Continue" to get additional information about using the new EIN. Continue >>

Help Topics

Can the EIN be used before the confirmation letter is received?

Rec'd TDHCA 6/15/2009

Window on State Government

Susan Combs Texas Comptroller of Public Accounts

Taxable Entity Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Entity Information:	**HOUSING SERVICES INCORPORATED** 10580 NEWKIRK ST STE 304 DALLAS, TX 75220-2329
Status:	**IN GOOD STANDING - EXEMPT CORPORATION**
Registered Agent:	SHACKLEFORD, MILTON, MCKINLEY 3333 LEE PARKWAY, TENTH FL DALLAS, TX 75219
Registered Agent Resignation Date:	
State of Formation:	
File Number:	0147219301
SOS Registration Date:	December 29, 1997
Taxpayer Number:	17527518801

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Geoffrey S. Connor
Secretary of State

Office of the Secretary of State

CERTIFICATE OF AMENDMENT OF

HOUSING SERVICES INCORPORATED
147219301

[formerly: HOUSING SERVICES OF TEXAS]

The undersigned, as Secretary of State of Texas, hereby certifies that the attached Articles of amendment for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Amendment.

Dated: 11/17/2003
Effective: 11/17/2003

Geoffrey S. Connor
Secretary of State

Rec'd TDHCA 6/15/2009

FILED
In the Office of the
Secretary of State of Tex

NOV 17 2003

Corporations Section

AMENDMENT TO ARTICLES OF INCORPORATION OF HOUSING SERVICES OF TEXAS

A meeting of the Board of Directors of HOUSING SERVICES OF TEXAS was held on October 10, 2003, whereby a quorum of voting member of the Corporation's Board were present and passed with unanimous consent this amendment to the Articles of Incorporation changing the name of the corporation from **HOUSING SERVICES OF TEXAS** to **HOUSING SERVICES INCORPORATED**. This name change will take affect upon approval by the Secretary of State of the State of Texas.

Mark Rodgers, Secretary

Rec'd TDHCA 6/15/2009

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

HOUSING SERVICES OF TEXAS
CHARTER NUMBER 01472193

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED DEC. 29, 1997

EFFECTIVE DEC. 29, 1997

Alberto R. Gonzales, Secretary of State

Rec'd TDHCA 6/15/2009

FILED
in the Office of the
Secretary of State of Texas
DEC 29 1997
Corporations Section

ARTICLES OF INCORPORATION

OF

HOUSING SERVICES OF TEXAS

(a nonprofit corporation)

The undersigned, Susan A. Cobb, whose address is 1250 Connecticut Avenue, N.W., Suite 700, Washington, D.C. 20036, being at least eighteen years of age, acting as incorporator, does hereby form a nonprofit corporation under and by virtue of the Texas Nonprofit Corporation Act.

ARTICLE I: The name of the corporation (hereinafter the "Corporation") shall be Housing Services of Texas

ARTICLE II. The Corporation is a nonprofit corporation. The period of duration of the Corporation shall be perpetual.

ARTICLE III: The purposes for which the Corporation is organized are as follows:

1. The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code").

2. Solely for the above purposes, the Corporation is empowered to and may exercise all other powers and authority now or hereafter conferred upon nonprofit corporations in the State of Texas.

3 No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to the Corporation's directors, officers or private individuals, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered, and to make payments and distributions in furtherance of the aforementioned purposes of the Corporation. The Corporation shall not engage in any activity which is prohibited to a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 or any corresponding future provision of the federal tax law. In accordance with the existing federal tax law, the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office by publishing or distributing statements, or in any other way. No substantial part of the

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activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation.

ARTICLE IV. The name of the initial registered agent of the Corporation in the State of Texas is Corporation Service Company dba CSC-Lawyers Incorporating Service Company, and the street address of the initial registered office of the Corporation is 1 Commodore Plaza, 800 Brazos, Suite 330, Austin, Texas 78701

ARTICLE V The Corporation shall have no members

ARTICLE VI Provisions for the distribution of assets on dissolution or other termination of the Corporation are as follows

Although the period of duration of the Corporation is perpetual, if for any reason the Corporation is to be dissolved or otherwise terminated, no part of the property of the Corporation or any of the proceeds shall be distributed to or inure to the benefit of any of the directors of the Corporation. In such event, all property and proceeds of the Corporation, subject to the discharge of valid obligations of the Corporation, and to the applicable provisions of the Texas Nonprofit Corporation Act, shall be distributed as directed by the Board of Directors to such Section 501(c)(3) organizations that are organized and operated for purposes similar to those of the Corporation as the Board of Directors of the Corporation shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Common Pleas of the County in which the principal office of the Corporation is then located, exclusively for the aforesaid purposes of the Corporation or to such organization or organizations, as said Court shall determine.

ARTICLE VII: The names and addresses of the persons who shall serve as the initial directors of the Corporation are:

Sandy Abernathy
600 N. Pearl Street
Dallas, Texas 75201

Arcilia Acosta
1717 Main Street
Dallas, Texas 75201

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IN WITNESS WHEREOF, I have signed these Articles of Incorporation and have acknowledged the same to be my act, on this the 23rd day of December, 1997

Susan A. Cobb

Susan A Cobb
Incorporator

Rec'd TDHCA 6/15/2009

HOUSING SERVICES OF TEXAS

****

BYLAWS

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February 25, 2009

Jeff Spicer
State Street Housing
5843 Royal Crest Drive
Dallas, TX 75230

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

WWW.HSIUSA.ORG

Rec'd TDHCA 6/15/2009

February 25, 2009

Judy Rath
Dominium Development and Acquisition
2355 Polaris Lane, Suite 100
Minneapolis, MN 55447

RE: Financial Status HSI

Judy,

There has been no material or adverse changes to Housing Service Incorporated's financial status since the audit ending June 2007.

Sincerely,

Lee Anderson

HOUSING SERVICES INCORPORATED
10031 MONROE DRIVE
SUITE 306
DALLAS, TEXAS 75229

PHONE: 214.696.6077
FAX: 214.358.2888

WWW.HSIUSA.ORG

Rec'd TDHCA 6/15/2009

HOUSING SERVICES INCORPORATED

FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2007

Rec'd TDHCA 6/15/2009

Housing Services Incorporated
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June 30, 2007

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Rec'd TDHCA 6/15/2009

SALMON SIMS THOMAS
Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Housing Services Incorporated

We have audited the accompanying statement of financial position of Housing Services Incorporated (a Texas nonprofit corporation) as of June 30, 2007, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Housing Services Incorporated as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Salmon Sims Thomas & Associates
A Professional Limited Liability Company

Dallas, Texas
December 13 , 2007

Rec'd TDHCA 6/15/2009

Housing Services Incorporated
Statement of Financial Position
June 30, 2007

ASSETS

Cash	$	23,503
Restricted cash		5,661
Accounts receivable		108,172
Notes receivable		3,021,916
Land held for investment		143,120
Property and equipment, net		20,117
Investment in limited partnerships		5
Investment in closely-held companies		560,523
Other assets		11,748
TOTAL ASSETS	$	3,894,765

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	$	144,032
Accrued expenses		4,971
Unearned revenue		3,979
Total Liabilities		152,982
Net Assets		
Unrestricted		3,736,122
Temporarily restricted		5,661
		3,741,783
TOTAL LIABILITIES AND NET ASSETS	$	3,894,765

The accompanying notes are an integral part of this financial statement.

Rec'd TDHCA 6/15/2009

Housing Services Incorporated
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenues and Support			
Contributions	$ 576,732	$ -	$ 576,732
Development fees	50,000	-	50,000
Service fees	73,782	-	73,782
Other	3,266	-	3,266
	703,780	-	703,780
Impairment of investments	(177,631)	-	(177,631)
Net assets released from restrictions	314,560	(314,560)	-
Total Revenues and Support	840,709	(314,560)	526,149
Expenses			
Program services	741,291	-	741,291
Supporting services	266,888	-	266,888
Fundraising	18,364	-	18,364
Total Expenses	1,026,543	-	1,026,543
Decrease in Net Assets	(185,834)	(314,560)	(500,394)
Net Assets, beginning of year	3,921,956	320,221	4,242,177
Net Assets, end of year	$ 3,736,122	$ 5,661	$ 3,741,783

The accompanying notes are an integral part of this financial statement.

Rec'd TDHCA 6/15/2009

Housing Services Incorporated
Statement of Functional Expenses
For the Year Ended June 30, 2007

	Program	Supporting	Fundraising	Total
Salaries and related expenses	$ 87,313	$ 44,410	$ 9,450	$ 141,173
General and administrative	18,099	5,021	2,101	25,221
Rent and rentals	21,513	4,153	1,942	27,608
Supplies	536,397	-	-	536,397
IDA program	20,573	-	-	20,573
Professional services	15,040	71,610	229	86,879
Advertising	6,313	-	107	6,420
Dues and subscriptions	388	230	100	718
Telephone	8,494	1,451	716	10,661
Travel	3,843	-	-	3,843
Postage and printing	9,478	653	2,696	12,827
Utilities	6,682	821	637	8,140
Maintenance	881	6,588	386	7,855
Return of funds	-	125,000	-	125,000
Interest	6,277	341	-	6,618
Depreciation	-	6,610	-	6,610
	$ 741,291	$ 266,888	$ 18,364	$ 1,026,543

The accompanying notes are an integral part of this financial statement.

Rec'd TDHCA 6/15/2009

Housing Services Incorporated
Statement of Cash Flows
For the Year Ended June 30, 2007

Cash Flows From Operating Activities	
Decrease in Net Assets	$ (500,394)
Adjustments to reconcile change in net assets	
to net cash used by operating activities:	
Depreciation expense	6,610
Impairment of investments	177,631
IDA funds released	314,560
(Increase) decrease in assets	
Receivables	71,040
Other assets	1,525
Increase (decrease) in liabilities	
Accounts payable	88,252
Unearned revenue	(3,984)
Net Cash Provided by Operating Activities	155,240
Cash Flows From Investing Activities	
Purchase of equipment	(16,872)
Return of funds on IDA program	(125,000)
Net Cash Used by Investing Activities	(141,872)
Net Increase in Cash	13,368
Cash, beginning of year	10,135
Cash, end of year	$ 23,503
Supplemental Information	
Interest paid	$ -
Taxes paid	$ -

The accompanying notes are an integral part of this financial statement.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 1: NATURE OF ORGANIZATION

Housing Services Incorporated (originally incorporated and known as Housing Services of Texas) is a Texas nonprofit corporation formed in 1997. Housing Services Incorporated (Organization) provides specialized social support services to low and moderate income residents living in affordable housing communities. In addition, the Organization provides, develops, and facilitates safe and decent affordable housing for low to moderate income persons.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the fairness and objectivity embodied in the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Financial Statement Presentation - Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Agency and/or the passage of time.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporarily restricted net assets (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Contributions of assets other than cash are recorded at their estimated fair value.

Use of Estimates - Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include the assumption in recording the realizable value of receivables, the allocation of expenses by function, and valuation of investments in closely held company and limited partnerships. It is at least reasonably possible that the significant estimates used will change within the next year.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses - The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents - The Organization considers all short-term investments with an original maturity of ninety days or less to be cash equivalents. There were no cash equivalents at June 30, 2007. The Organization places its cash, which, at times, may exceed federally insured limits with high credit quality financial institutions. The Organization has not experienced any losses on such amounts.

Restricted cash consists of amounts held for use in the IDA program. These funds are restricted as to use by a grant from the Department of Health and Human Services which requires the funds be held in separate bank accounts.

Accounts Receivable – The Organization provides services under a social services agreement with a related party. This contract was discontinued in November 2006. Management considers receivables to be fully collectible unless otherwise noted; accordingly, no allowance for doubtful accounts has been provided. If amounts become uncollectible they are charged to operations in the period in which that determination is made.

Unearned Revenue - The Organization provides social services to senior and low-income family residents of affordable housing facilities located across Texas. The Organization collects the social service fee revenue on these projects, and any prepaid service fees are reflected as unearned revenue at June 30, 2007.

Furniture and Equipment/Depreciation and Amortization - Furniture and equipment are stated at cost or fair market value at the date of donation or purchase, less accumulated depreciation and amortization. Major expenditures and those that substantially increase useful lives are capitalized. Maintenance, repairs and replacements, which do not improve or extend the lives of the respective assets, are charged to operations when incurred. When furniture or equipment is sold or otherwise disposed of, the asset and related accumulated depreciation and amortization are removed, and any gain or loss is included in operations. Depreciation and amortization has been calculated straight-line as follows:

Furniture and fixtures	7 years
Computer equipment	5 years

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Services - The Organization recognizes contributions of goods and/or services if such services either (1) create or enhance nonfinancial assets or (2) require specialized skills that are provided by individuals possessing those skills and which would typically need to be purchased if not contributed.

In-kind contributions consisted primarily of rent, clothing, food and books and totaled approximately $549,000. These funds are classified as unrestricted contributions on the Statement of Activities and Changes in Net Assets.

Investments in Closely-Held Companies and Limited Partnerships - The Organization received a donation of stock in Southwest Housing Investments, Inc., a closely-held company, during 1997. The investment was carried at cost, which approximated its fair value on the date of the donation, before impairment in 2005 (see Note 5).

The Organization has investments in seven limited partnerships. The investments are carried at cost unless impairments occurred.

The Organization set up three separate single-member limited liability companies during 2005. The purpose of these LLCs is to be a 1% general partner in three separate limited partnerships which developed affordable housing projects.

Management annually reviews all of these investments for impairment.

Support and Revenues - The Organization receives funding to support its programs from a variety of sources. A source of the Organization's revenue is derived from The Department of Health and Human Services under the IDA program. The funding for this program may be drawn when matching funds are acquired. This program requires at least 85% of the grant funds and an equal amount of nonfederal matching funds to be used to provide matching deposits for individuals participating in the program. The remaining 15% may be used for the administration of the program. In addition, the Organization receives support through public contributions from individuals, corporations, and other nonprofit organizations.

In October 2006, the Organization decided to no longer take on new clients in the IDA program; however, existing clients will be allowed to complete the program. As a result of this decision, the Organization returned $125,000 of the monies held for the IDA program.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes - As mentioned previously, the Organization is a nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code (Code) that is exempt from federal income taxes under Section 509(a) of the Code. For the year ended June 30, 2007, the Organization did not conduct any unrelated business activities that would be subject to federal income taxes. Therefore, no tax provision or liability has been reported in the accompanying financial statements.

NOTE 3: PROPERTY AND EQUIPMENT

At June 30, 2007, fixed assets consisted of the following:

Furniture and fixtures	$ 25,712
Computer equipment	4,115
Accumulated depreciation	(9,710)
	$ 20,117

Total depreciation expense for the year ended June 30, 2007 was $6,610.

NOTE 4: LAND HELD FOR INVESTMENT

During 2003, the Organization received an unrestricted donation of real property with a fair value of $213,800. This land was adjusted to an appraised value of $143,120 in 2006. The land is held as a long-term investment.

NOTE 5: INVESTMENTS IN CLOSELY HELD COMPANIES

In 1997, the Organization received a contribution of a 49% interest in Southwest Housing Investments, Inc. which is the general partner in a housing project in the Dallas area. Since the Organization does not have significant influence over Southwest Housing Investments, Inc., the Organization accounts for this investment on the cost method of accounting under which income is recognized only when distributions are received. There were no distributions during the year ended June 30, 2007. The Organization's management adjusted the value of the investment in 2005 due to losses incurred by the housing project. The value of the investment in the closely held company at June 30, 2007 was $0.

The investment was disposed of subsequent to year-end as part of the settlement with Southwest Housing Development Company and certain related entities (See Note 11).

The investments in single-member L.L.C.s represent 100% ownership, by the Organization, in three separate limited liability companies. Each L.L.C. is a 1% general partner in three separate limited partnerships which own specific affordable housing, multifamily developments. These developments are all associated with Southwest Housing Investments, Inc. and one of its principals. The Organization's ownership of these 1% general partner interests (through the separate L.L.C.s), entitle

NOTE 5: INVESTMENTS IN CLOSELY HELD COMPANIES (CONTINUED)

the limited partnerships to ad-valorem tax exemption under Sections 11.1825 and 11.1826 of the Texas Property Code. These Code sections require, among other things, that a not-for-profit organization have a controlling 100% general partner interest in a partnership. One partnership interest was received in August 2004, and subsequently appraised in May 2005 for $175,875. The remaining partnership interests were received in November 2004 and January 2005 and were both appraised in January 2006 for $659,421 and $607,422, respectively, and have been recorded in the accompanying financial statements. These values were predicated on numbers that were estimated at the beginning of construction during the application process - specifically total construction costs, lease up time and unit rental amounts. On two of these partnerships, there have been significant deviations from the original estimates, and the present values ($0 and $125,000, respectively) are substantially less than estimated initially. The deviation on the third partnership was much less and the estimated present value was $450,000. The Organization agreed to transfer these partnership interests as a result of the settlement (see Note 11). In addition, an allowance of $36,000 has been recorded to reflect an adjustment to estimated market value based on values received as a result of the conclusion on the lawsuit previously mentioned.

NOTE 6: INVESTMENTS IN LIMITED PARTNERSHIPS

The investment in limited partnerships is comprised of a .001% limited partner interest and a co-general partner interest in seven partnerships. These nominal co-general partner interests were received due to the Organization lending subordinated debt in accordance with the Federal Home Loan Bank grants (see Note 7). The Organization is not considered to have significant influence over the partnerships because of the terms within the respective partnership agreements. Therefore, these investments are accounted for by the cost method of accounting under which income is recognized only when distributions are received. There were no distributions during the year ended June 30, 2007. The value of the investments in limited partnerships was $5 at June 30, 2007.

NOTE 7: NOTES RECEIVABLE

The Federal Home Loan Bank granted the Organization certain funds under the Affordable Housing Program to partially fund the development of affordable housing projects as specified by the program.

The Organization received these grants, and made loans of equal amounts, to the partnerships developing these affordable housing projects under the Affordable Housing Program. These loans are recorded as long-term loans receivable and are described below.

In April 2005, the Organization signed a note receivable with Highland Gardens, L.P. for $500,000.

The principal is due in April 2042, with interest of 0.5% due annually if sufficient cash flow exists. If the partnership is unable to pay interest due to negative cash flow, the interest accrues annually without compounding. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 7: NOTES RECEIVABLE (CONTINUED)

In April 2005, the Organization executed a note receivable with Tahoe Housing, L.P. for $500,000. Principal is due in April 2042, with interest of 0.5% is due annually if sufficient cash flow exists. If the partnership is unable to pay interest due to negative cash flow, the interest accrues annually without compounding. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In May 2003, the Organization signed a note receivable with Oak Hollow Housing, L.P. for $450,000. Principal is due in May 2021. Interest accrues annually at a rate of 4.75%, but is not payable until maturity. The note is secured by a subordinated deed of trust of certain real property owned by this partnership.

In May 2003, the Organization executed a note receivable with TX Hillside Apartments, L.P. for $471,916. Principal is due in May 2021. Interest accrues at an annual rate of 4.79%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In November 2003, the Organization signed a note receivable with Escondido Housing, L.P. for $300,000. Principal is due in November 2021. Interest accrues at an annual rate of 4.99%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In September 2003, the Organization executed a note receivable with Colorado Creekside Housing, L.P. for $300,000. Principal is due in September 2021. Interest accrues at an annual rate of 5.08%, but is not payable until maturity. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

In January 2003, the Organization signed a note receivable with TX Bluffview Housing, L.P. for $500,000. The principal is due in January 2021. Interest accrues at an annual rate of 4.92%, but is not payable until the maturity date of the principal. The note is secured by a subordinated deed of trust on certain real property owned by this partnership.

Interest due on notes receivable is payable only when the note makers have sufficient cash flow. Accrued interest income as of June 30, 2007 was approximately $23,000. The Organization does not expect to collect the interest from these notes; accordingly, no income has been recorded on the accompanying financial statements.

Total notes receivable balance at June 30, 2007 was $3,021,916.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

Leases
The Organization entered into noncancellable lease agreements for the office space and various equipment. Future minimum annual rental commitments are as follows:

For the year ending June 30,	
2008	$ 14,307
2009	9,486
2010	8,892
2011	7,047
2012	890
Thereafter	-
Total	$ 40,622

Total rent expense was approximately $27,500 for 2007.

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS
At June 30, 2007, the temporarily restricted net assets consisted of the following:

IDA Program	$ 5,661

NOTE 10: RELATED PARTY TRANSACTIONS
The Organization provides services for tenants whose apartments are managed by Southwest Housing Management, Inc., an entity affiliated with a former board member of the Organization. All service fees and development fees reported in the Statement of Activities and Changes in Net Assets are derived from services provided for the above-mentioned apartments. These amounts represent approximately eighteen percent of the Organization's revenues for the year ended June 30, 2007.

NOTE 11: SUBSEQUENT EVENT
The Organization was unable to conduct normal operations due to the negative public influence of being connected with Southwest Housing Management (SHM) and certain principals in that company. In November 2006, the Organization filed a lawsuit against SHM alleging that SHM failed to pay the Organization for services rendered from March to November 2006 (see Note 10). The Organization was also seeking settlement on the fair market values of investments (see Notes 5 and 6) and removal from various partnerships formed to participate in the low income housing tax credit program.

Housing Services Incorporated
Notes to Financial Statements
June 30, 2007

NOTE 11: SUBSEQUENT EVENT (CONTINUED)

In October 2007, the lawsuit between the Organization and SHM was settled for approximately $711,000 (see components below) with payments received in October and November 2007 totaling approximately $620,000. Approximately $91,000 remains due from SHM for development fees.

The components of the settlement are as follows:

Social services	$ 150,000
Investment in various entities	289,000
Development fees	272,000
	$ 711,000

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
101	3 x 10	N/A	1079	Occupied	SOTO, JENNIFER	08/17/2007	08/17/2007	07/31/2008	747.00	RESIDENT	RENT	360.00	0.00	360.00	413.00	181.00
										SUBSIDY	SUBRENT	387.00	0.00	387.00	0.00	32.00
102	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Anderson, Earl	02/21/2009	02/21/2009	02/21/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
103	3 x 10	N/A	1079	Occupied	KILGORE, TERESA	03/26/2007	03/01/2008	02/28/2009	747.00	RESIDENT	RENT	434.00	0.00	434.00	468.00	(2.00)
										SUBSIDY	SUBRENT	313.00	0.00	313.00	0.00	0.00
104	2 x 10	N/A	879	Occupied	ANDERSON, KAREN	06/11/1999	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	138.00	0.00	138.00	306.00	0.00
										SUBSIDY	SUBRENT	458.00	0.00	458.00	0.00	0.00
105	2 x 10	N/A	879	Occupied	ROWAN, CALEEN	01/11/2008	01/11/2008	12/31/2008	596.00	RESIDENT	UTILREIMB	0.00	(13.00)	(13.00)	181.00	(182.00)
										SUBSIDY	SUBRENT	596.00	0.00	609.00	0.00	950.00
										SUBSIDY	UTAC	0.00	13.00			
106	2 x 10	N/A	879	Occupied	Carrillo, Erica	06/13/2008	06/13/2008	06/13/2009	596.00	RESIDENT	RENT	38.00	0.00	38.00	85.00	(829.00)
										SUBSIDY	SUBRENT	558.00	0.00	558.00	0.00	0.00
107	2 x 10	N/A	879	Occupied	RUNNELS, RUBY	04/02/2007	04/02/2007	03/31/2009	596.00	RESIDENT	RENT	311.00	0.00	311.00	163.00	581.00
										SUBSIDY	SUBRENT	285.00	0.00	285.00	0.00	0.00
108	2 x 10	N/A	879	Occupied	ANDERSON, JESSICA	10/17/2006	10/01/2007	09/30/2008	596.00	RESIDENT	RENT	187.00	0.00	187.00	126.00	201.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	0.00
109	2 x 10	N/A	879	Occupied	NIX, VANITY	10/10/2007	10/10/2007	09/30/2008	596.00	RESIDENT	RENT	205.00	0.00	205.00	51.00	374.11
										SUBSIDY	SUBRENT	391.00	0.00	391.00	0.00	0.00
110	3 x 10	N/A	1079	Vacant	VACANT				747.00			0.00*	0.00*			
111	2 x 10	N/A	879	Occupied	ELLIOTT, KARE	08/29/2007	08/29/2007	07/31/2008	596.00	RESIDENT	RENT	30.00	0.00	30.00	89.00	129.00
										SUBSIDY	SUBRENT	566.00	0.00	566.00	0.00	14.00
112	3 x 10	N/A	1079	Occupied	SAUNDERS, CYNTHIA	01/11/2008	01/11/2008	12/31/2008	747.00	RESIDENT	RENT	381.00	0.00	381.00	500.00	1,941.00
										SUBSIDY	SUBRENT	366.00	0.00	366.00	0.00	(115.00)
113	3 x 10	N/A	1079	Occupied	ANDERSON, TIFFANY	01/30/2007	12/01/2007	11/30/2008	747.00	RESIDENT	RENT	528.00	0.00	528.00	209.00	131.00
										SUBSIDY	SUBRENT	219.00	0.00	219.00	0.00	(265.00)
114	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Davis, Andrea	02/20/2009	02/20/2009	02/20/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	380.00	0.00
115	3 x 10	N/A	1079	Occupied	CLARKS, CHARLOTTE	02/04/2008	02/04/2008	01/31/2009	747.00	RESIDENT	RENT	50.00	0.00	50.00	200.00	103.00
										SUBSIDY	SUBRENT	697.00	0.00	697.00	0.00	97.00
116	2 x 10	N/A	879	Occupied	PETTIGREW, RACHEL	09/13/2007	09/13/2007	08/31/2008	596.00	RESIDENT	RENT	14.00	0.00	14.00	117.00	760.00
										SUBSIDY	SUBRENT	582.00	0.00	582.00	0.00	312.00
117	2 x 10	N/A	879	Occupied	SALTERS, JENNIFER	03/01/2007	03/01/2008	02/28/2009	596.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	(24.00)

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
										SUBSIDY	SUBRENT	431.00	0.00	431.00	0.00	0.00
118	2 x 10	N/A	879	Occupied	Cook, Miranda	12/04/2008	12/04/2008	12/04/2009	596.00	RESIDENT	RENT	203.00	0.00	203.00	0.00	658.00
										SUBSIDY	SUBRENT	393.00	0.00	393.00	0.00	0.00
119	2 x 10	N/A	879	Occupied	GREEN, JENNIFER	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	232.00	1,677.00
										SUBSIDY		0.00	0.00		0.00	(1,233.00)
120	2 x 10	N/A	879	Occupied	CARR, JESSICA	03/21/2008	03/21/2008	02/28/2009	596.00	RESIDENT	RENT	326.00	0.00	326.00	373.00	427.00
										SUBSIDY	SUBRENT	270.00	0.00	270.00	0.00	(1.00)
121	2 x 10	N/A	879	Occupied	SANCHEZ, STEPHANIE	12/28/2007	12/28/2007	11/30/2008	596.00	RESIDENT	RENT	596.00	0.00	596.00	330.00	1,323.00
										SUBSIDY		0.00	0.00		0.00	(939.00)
122	3 x 10	N/A	1079	Occupied	WREN, DEMETERIA	04/06/2007	04/06/2007	03/31/2009	747.00	RESIDENT	RENT	3.00	0.00	3.00	106.00	(295.00)
										SUBSIDY	SUBRENT	744.00	0.00	744.00	0.00	0.00
123	2 x 10	N/A	879	Occupied	SIMPSON, REBECCA	11/13/2007	11/13/2007	10/31/2008	596.00	RESIDENT	RENT	167.00	0.00	167.00	50.00	573.00
										SUBSIDY	SUBRENT	429.00	0.00	429.00	0.00	0.00
124	3 x 10	N/A	1079	Occupied	HUBBARD, VICKY	01/25/2008	01/25/2008	12/31/2008	747.00	RESIDENT	RENT	340.00	0.00	340.00	454.00	841.00
										SUBSIDY	SUBRENT	407.00	0.00	407.00	0.00	(1,215.00)
125	2 x 10	N/A	879	Vacant-Leased	VACANT				596.00			0.00*	0.00*			
		N/A		Applicant	Lopshire, Crystal	02/19/2009	02/19/2009	02/19/2010		RESIDENT	RENT	596.00*	0.00*	596.00*	0.00	0.00
126	2 x 10	N/A	879	Occupied	BARNETT, LATORIA	05/09/2008	05/09/2008	05/09/2009	596.00	RESIDENT	RENT	113.00	0.00	113.00	160.00	206.00
										SUBSIDY	SUBRENT	483.00	0.00	483.00	0.00	0.00
127	2 x 10	N/A	879	Occupied	Weaver, Kam	11/01/2008	11/01/2008	10/31/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	(5.00)
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
128	2 x 10	N/A	879	Occupied	BARNETT, LATONYA	02/22/2008	02/22/2008	01/31/2009	596.00	RESIDENT	UTILREIMB	0.00	(22.00)	(22.00)	468.00	467.00
										SUBSIDY	SUBRENT	596.00	0.00	618.00	0.00	148.00
										SUBSIDY	UTAC	0.00	22.00			
129	2 x 10	N/A	879	Occupied	BROWN, ANDREA	06/03/2003	06/01/2007	05/31/2008	596.00	RESIDENT	RENT	177.00	0.00	177.00	244.00	260.00
										SUBSIDY	SUBRENT	419.00	0.00	419.00	0.00	0.00
130	2 x 10	N/A	879	Occupied	Ramirez, Sandra	02/06/2009	02/06/2009	02/06/2010	596.00	RESIDENT	RENT	257.00	0.00	257.00	360.00	(56.00)
										SUBSIDY	SUBRENT	233.00	0.00	233.00	0.00	233.00
131	2 x 10	N/A	879	Occupied	BROWN, STEPHANI	07/25/2003	07/01/2007	06/30/2008	596.00	RESIDENT	RENT	10.00	0.00	10.00	63.00	0.00
										SUBSIDY	SUBRENT	586.00	0.00	586.00	0.00	0.00
132	2 x 10	N/A	879	Occupied	Williams, Amanda	08/01/2008	08/01/2008	08/01/2009	596.00	RESIDENT	RENT	214.00	0.00	214.00	261.00	832.00
										SUBSIDY	SUBRENT	382.00	0.00	382.00	0.00	0.00
133	3 x 10	N/A	1079	Occupied	Mowles, Jerry	11/01/2008	11/01/2008	11/01/2009	747.00	RESIDENT	RENT	405.00	0.00	405.00	458.00	86.00
										SUBSIDY	SUBRENT	342.00	0.00	342.00	0.00	342.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
134	3 x 10	N/A	1079	Occupied	SHEWMAKE, LAURA	09/27/2007	09/27/2007	08/31/2008	747.00	RESIDENT	RENT	207.00	0.00	207.00	237.00	579.00
										SUBSIDY	SUBRENT	540.00	0.00	540.00	0.00	64.00
405	1 x 10	N/A	658	Occupied	HITT, MARIE	09/26/2006	09/01/2007	08/31/2008	486.00	RESIDENT	RENT	279.00	0.00	279.00	269.00	172.00
										SUBSIDY	SUBRENT	207.00	0.00	207.00	0.00	(15.00)
406	1 x 10	N/A	658	Occupied	RODGERS, CHARLOTTE	03/18/2005	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	125.00	0.00	125.00	165.00	0.00
										SUBSIDY	SUBRENT	361.00	0.00	361.00	0.00	0.00
407	1 x 10	N/A	658	Occupied	Hughes, Cary	05/09/2008	05/09/2008	05/09/2009	486.00	RESIDENT	RENT	158.00	0.00	158.00	191.00	(3.00)
										SUBSIDY	SUBRENT	328.00	0.00	328.00	0.00	0.00
408	1 x 10	N/A	658	Occupied	LACKEY, DONNA	11/01/2002	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	154.00	0.00	154.00	169.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
409	1 x 10	N/A	658	Occupied	GAMBEL, OLLIE	02/16/2007	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	164.00	130.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(23.00)
410	1 x 10	N/A	658	Occupied	COLLAZO, MARY	10/12/2007	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	165.00	0.00	165.00	50.00	143.00
										SUBSIDY	SUBRENT	321.00	0.00	321.00	0.00	(337.00)
411	1 x 10	N/A	658	Occupied	DOWNING, JACKIE	11/16/2006	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	178.00	0.00	178.00	131.00	190.00
										SUBSIDY	SUBRENT	308.00	0.00	308.00	0.00	0.00
412	1 x 10	N/A	658	Occupied	MCALLISTER, JODIE	06/11/2004	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	33.00	0.00	33.00	158.00	0.00
										SUBSIDY	SUBRENT	453.00	0.00	453.00	0.00	0.00
413	1 x 10	N/A	658	Occupied	BLACKBURN, ALBERTA	12/17/2001	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	214.00	0.00	214.00	173.00	84.00
										SUBSIDY	SUBRENT	272.00	0.00	272.00	0.00	(42.00)
414	2 x 10	N/A	879	Occupied	NICKERSON, BETTY	08/15/2007	08/15/2007	07/31/2008	596.00	RESIDENT	RENT	140.00	0.00	140.00	126.00	0.00
										SUBSIDY	SUBRENT	456.00	0.00	456.00	0.00	26.00
415	1 x 10	N/A	658	Occupied	RIDER, EARLINE	01/01/1982	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	160.00	211.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	(94.00)
416	2 x 10	N/A	879	Occupied	IBARRA, INES	07/21/2008	07/21/2008	07/21/2009	596.00	RESIDENT	RENT	187.00	0.00	187.00	0.00	122.00
										SUBSIDY	SUBRENT	409.00	0.00	409.00	0.00	(886.00)
417	1 x 10	N/A	658	Occupied	NORMAN, LOUISE	02/01/2006	02/01/2008	01/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	177.00	16.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	(4.00)
418	1 x 10	N/A	658	Occupied	BROWN, MATTIE	10/15/1995	10/01/2007	09/30/2008	486.00	RESIDENT	RENT	270.00	0.00	270.00	207.00	170.00
										SUBSIDY	SUBRENT	216.00	0.00	216.00	0.00	0.00
419	1 x 10	N/A	658	Occupied	MONTGOMERY, RUTH	06/15/2006	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	285.00	0.00	285.00	337.00	0.00
										SUBSIDY	SUBRENT	201.00	0.00	201.00	0.00	0.00
420	1 x 10	N/A	658	Occupied	ASLIN, SHARON	05/17/2005	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	226.00	0.00	226.00	260.00	0.00
										SUBSIDY	SUBRENT	260.00	0.00	260.00	0.00	0.00

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Details

Unit	Floorplan	Unit Designation (3.0 only)	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	Balance
422	1 x 10	N/A	658	Occupied	Mcshane, Doris	11/03/2008	11/03/2008	11/03/2009	486.00	RESIDENT	RENT	269.00	0.00	269.00	302.00	325.84
										SUBSIDY	SUBRENT	217.00	0.00	217.00	0.00	1.00
423	1 x 10	N/A	658	Occupied	ANDERSON, CATHERINE	11/27/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	169.00	0.00	169.00	116.00	0.00
										SUBSIDY	SUBRENT	317.00	0.00	317.00	0.00	(945.00)
424	1 x 10	N/A	658	Occupied	SHORT, JOYCE	12/27/2006	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	211.00	0.00	211.00	225.00	96.00
										SUBSIDY	SUBRENT	275.00	0.00	275.00	0.00	(54.00)
425	1 x 10	N/A	658	Occupied	PRATT, MARY	07/17/1999	07/01/2007	06/30/2008	486.00	RESIDENT	RENT	161.00	0.00	161.00	146.00	(22.00)
										SUBSIDY	SUBRENT	325.00	0.00	325.00	0.00	0.00
426	1 x 10	N/A	658	Occupied	SICKELS, FAITH	01/07/2005	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	262.00	0.00	262.00	281.00	(22.00)
										SUBSIDY	SUBRENT	224.00	0.00	224.00	0.00	22.00
427	1 x 10	N/A	658	Vacant	VACANT				486.00			0.00*	0.00*			
428	1 x 10	N/A	658	Occupied	SMITH, ALMA	04/20/2001	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	151.00	0.00	151.00	207.00	193.00
										SUBSIDY	SUBRENT	335.00	0.00	335.00	0.00	0.00
429	1 x 10	N/A	658	Occupied	BROOKS, SANDRA	04/01/2003	04/01/2007	03/31/2009	486.00	RESIDENT	RENT	148.00	0.00	148.00	166.00	25.00
										SUBSIDY	SUBRENT	338.00	0.00	338.00	0.00	0.00
430	1 x 10	N/A	658	Occupied	BROOKS, NORMA	03/05/2007	03/01/2008	02/28/2009	486.00	RESIDENT	RENT	127.00	0.00	127.00	177.00	84.00
										SUBSIDY	SUBRENT	359.00	0.00	359.00	0.00	0.00
431	1 x 10	N/A	658	Occupied	KNOWLES, FERN	05/01/1989	05/01/2007	04/30/2009	486.00	RESIDENT	RENT	172.00	0.00	172.00	102.00	0.00
										SUBSIDY	SUBRENT	314.00	0.00	314.00	0.00	0.00
432	1 x 10	N/A	658	Occupied	SCOGGINS, DELIA	06/05/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	205.00	0.00	205.00	202.00	255.00
										SUBSIDY	SUBRENT	281.00	0.00	281.00	0.00	0.00
433	1 x 10	N/A	658	Occupied	GATES, MAXINE	11/01/1991	12/01/2007	11/30/2008	486.00	RESIDENT	RENT	304.00	0.00	304.00	151.00	129.00
										SUBSIDY	SUBRENT	182.00	0.00	182.00	0.00	(87.00)
434	1 x 10	N/A	658	Occupied	SMITH, PEGGY	10/16/2007	10/16/2007	09/30/2008	486.00	RESIDENT	RENT	182.00	0.00	182.00	210.00	106.00
										SUBSIDY	SUBRENT	304.00	0.00	304.00	0.00	0.00
435	1 x 10	N/A	658	Occupied	RAYMOND, HARVELEE	06/08/2002	06/01/2007	05/31/2009	486.00	RESIDENT	RENT	154.00	0.00	154.00	160.00	0.00
										SUBSIDY	SUBRENT	332.00	0.00	332.00	0.00	0.00
436	1 x 10	N/A	658	Occupied	HARMON, IVA LEE	01/25/1997	01/01/2008	12/31/2008	486.00	RESIDENT	RENT	223.00	0.00	223.00	170.00	134.00
										SUBSIDY	SUBRENT	263.00	0.00	263.00	0.00	(92.00)
437	1 x 10	N/A	658	Occupied	Farmer, Donald	11/01/2008	11/01/2008	10/31/2009	486.00	RESIDENT	RENT	381.00	0.00	381.00	414.00	0.00
										SUBSIDY	SUBRENT	105.00	0.00	105.00	0.00	0.00
438	1 x 10	N/A	658	Vacant-Leased	VACANT				486.00			0.00*	0.00*			
		N/A		Applicant	Crowder, Bonnie	02/22/2009	02/22/2009	02/22/2010		RESIDENT	RENT	486.00*	0.00*	486.00*	0.00	0.00
440	1 x 10	N/A	658	Occupied	SLETTEN, KNUTE	11/01/2004	11/01/2007	10/31/2008	486.00	RESIDENT	RENT	217.00	0.00	217.00	218.00	125.00
										SUBSIDY	SUBRENT	269.00	0.00	269.00	0.00	0.00

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AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Totals:	**38,518.00**	**34,905.00**	**0.00**	**34,905.00**	**13,379.00**

-- Historically generated Rent Roll Detail data may differ due to the following product functions (including but not limited to) --

- Back-dated move-ins/outs or apply dates
- Applicants transferred to another unit will appear in the new unit, not the old
- Cancelling notices to vacate or transfer
- Undoing move-ins/outs or transfers

* Indicates amounts not included in detail totals

AIMCO - Village of Kaufman-041815

RENT ROLL DETAIL

As of 02/13/2009

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Amt / SQFT: Market = 54,700 SQFT; Leased = 49,668 SQFT;

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
1 x 10	32	658	486.00	0.74	486.00	0.74	30	93.75	1
2 x 10	26	879	596.00	0.68	591.39	0.67	23	88.46	0
3 x 10	10	1,079	747.00	0.69	747.00	0.69	9	90.00	1
Totals / Averages:	**68**	**804**	**566.44**	**0.70**	**562.98**	**0.70**	**62**	**91.18**	**2**

Occupancy and Rents Summary for Current Date

Unit Status	Market + Addl.	# Units	Potential Rent
Occupied, no NTV	35,011.00	62	34,905.00
Occupied, NTV	-	0	-
Occupied NTV Leased	-	0	-
Vacant Leased	2,274.00	4	2,274.00
Admin/Down	-	0	-
Vacant Not Leased	1,233.00	2	1,233.00
Totals:	**38,518.00**	**68**	**38,412.00**

Summary Billing by Sub Journal for Current Date

Sub Journal	Amount
RESIDENT	12,909.00
SUBSIDY	21,996.00
Total:	**34,905.00**

Summary Billing by Transaction Code for Current Date

Code	Amount
RENT	12,944.00
SUBRENT	21,961.00
UTAC	35.00
UTILREIMB	(35.00)

Parameters: Property - ALL; SubJournal - ALL; Formers excluded - Yes; Unit Designation - ALL;

Total:	**34,905.00**

09274

Windfern Pointe Apartments

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Windfern Pointe Apartments.

Background and Recommendations

Windfern Pointe Apartments - 09274

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated because the development is located within the 100-year floodplain. Pursuant to §49.6(a) of the 2009 Qualified Allocation Plan and Rules ("QAP"):

> "Any Development proposing New Construction or Reconstruction and located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements… If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain. No buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established in this subsection for New Construction."

Further, in accordance with §49.9(d)(7) of the 2009 QAP, the Department performed a compliance review audit of previous participation in the Housing Tax Credit program. Creekwood Apartments (HTC File 94023) and Garden Gate Apartments (HTC file 93040), properties affiliated with the applicant of the above referenced application, were discovered to have a noncompliance scores of 36 and 32, respectively. Pursuant to 10 TAC §60, Housing Tax Credit properties with a score of 30 or higher are considered to be in Material Noncompliance.

Per §49.5(b)(2) of the QAP:

> "The Department will disqualify an Application, and/or debar a Person, if it is determined by the Department that any issues identified in the paragraphs of this subsection exist. The Department may debar a Person for one year from the date of debarment, or until the violation causing the debarment has been remedied, whichever term is longer, if the Department determines the facts warrant it. Causes for disqualification and debarment include:
>
> > The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in Chapter 60 of this title on May 1, 2009 for Competitive Housing Tax Credit Applications..."

The Application was terminated because the Applicant is proposing Rehabilitation to a development that is located in the 100-year floodplain and does not meet the federal funding assistance exception. Additionally, the entity requesting assistance has control of two existing developments monitored by the Department that were in Material Noncompliance as of May 1, 2009.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Windfern Affordable Housing, LP, a Texas limited partnership
Site Location:	9515 W Gulf Bank Road
City/County:	Houston/Harris
Regional Allocation Category:	Urban
Population Served:	General
Region:	6
Set Aside:	None
Type of Development:	Acquisition/Rehabilitation
Units:	200
Credits Requested:	$1,202,145

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal. The Board does not have the ability to waive the rules regarding Material Noncompliance.

09274

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 5, 2009

J. Douglas Rippeto
Jupiter Northwest Freeway-Creekwood Ltd.
6750 W. South Loop #870
Bellaire, Texas 777401

RE: Application #09274, Windfern Pointe Apartments

Dear Mr. Rippeto:

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the review of the application, staff discovered the development was located within the 100 year floodplain. Staff requested confirmation from the development engineer that the development was indeed in the 100 year floodplain.

In accordance with §49.6(a) of the 2009 Qualified Allocation Plan (QAP), no buildings or roads that are part of a Development proposing Rehabilitation or Adaptive Reuse, with the exception of Developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain, unless 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. The Windfern development does not meet the exception.

It has been noted that the development was previously financed with a FHA loan from HUD and the applicant has applied for funding from the City of Houston's HOME program. However, the development does not currently have federal funding assistance outstanding.

In addition, two properties listed on your Previous Participation and Background Certification Form are in Material Noncompliance; Creekwood Apartments (HTC File 94023) and Garden Gate Apartments (HTC file 93040). Creekwood currently has a score

of 36 and Garden Gates has a score of 32. Housing Tax Credit properties with a score of 30 or higher are considered to be in Material Noncompliance.

At this time Creekwood and Garden Gate Apartments have no uncorrected issues of noncompliance. However, because of the number and types of violations associated with these properties, even though all issues are corrected, the cumulative score still exceeds 30 points.

The Department is required to disqualify an application for material non-compliance pursuant to §49.5(b)(2) of the QAP which states:

"The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in Chapter 60 of this title on May 1, 2009 for Competitive Housing Tax Credit Applications or for Tax-Exempt Bond Development Applications or other Applications not applying for Housing Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) no later than 30 days after Volume III of the Application is submitted (§2306.6721(c)(3))"

Pursuant to §49.6(a) and §49.5(b)(2) of the 2009 QAP, staff has terminated the Windfern Pointe Apartments application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on June 12, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

MFF/rgm

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing. My appeal documentation, which identifies my specific grounds for appeal, is attached.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09274

Appeal Documents

JUNIPER INVESTMENT GROUP

June 12, 2009

Mr. Mike Gerber
Executive Director
Texas Department of Housing and
Community Affairs
221 East 11th Street
Post Office Box 13941
Austin, Texas 78711-3941

Re: #09274 Windfern Pointe Apartments in Houston, Texas
9% Housing Tax Credit Application

Dear Mr. Gerber:

On June 5, 2009, Robbye Meyer, Director of Multifamily Finance, delivered notification that staff terminated the Windfern Pointe Apartments application pursuant to §49.6(a) and §49.5(b)(2) of the 2009 Qualified Allocation Plan ("QAP"). This notification followed the May 1, 2009 communication received from Patricia Murphy advising that, in accordance with the QAP and the Compliance Monitoring Rules, a previous participation review was conducted. Juniper Investment Group, Ltd. ("Juniper") the developer for Windfern Pointe Apartments (09274), is affiliated with the Creekwood Apartments (94023) and Garden Gate Apartments (93040). Both properties were determined to be in material non-compliance with corrected final scores of 36 and 32, respectively.

As you are aware, corrected non-compliance issues are rescored and the rescored event score remains in the record for three (3) years before being reduced to a zero score. Juniper purchased the Creekwood Apartments on November 23, 2004. The majority of violations at Creekwood are for paperwork or recordation errors on resident income documentation. These errors were made early in Juniper's ownership (early 2005) and were due to acquisition staff changes at the property and the "ramp up" time needed for new staff to learn how to properly document income. The Creekwood staff worked diligently to correct these errors within ten (10) days of the notice of non-compliance. Nine (9) of the Creekwood scored points are more than two (2) years old and should be

6750 West Loop South, Suite 870 • Bellaire, Texas 77401 • (713) 972-9302 • Fax: (713) 972-9311
email: jay@juniperinvestmentgroup.com

reduced to zero within the next several months. The "burn off" of those event scores will decrease the Creekwood property's score from 36 to 27.

The Garden Gate property was acquired in July, 2008. Several of the outstanding event scores, eight (8) points in total, are attributable to the prior ownership. Five (5) of these Garden Gate event scores will reduce to zero within four (4) months. Removing the prior owner's event scores, the Garden Gate property's scoring would decrease from 32 to 24.

While the current scores for Creekwood and Garden Gate reflect material non-compliance with scores exceeding 30, the scores do not reflect the quality service rendered to the residents of these properties under Juniper's ownership. Nor does the rescoring correctly reflect the seriousness and diligence with which the staff responds to each and every notification of a non-compliance issue. When evaluating whether to accept the staff termination of the Windfern Pointe QAP solely for material non-compliance issues, you are requested to take into consideration the responsiveness of the property staff and ownership to TDHCA concerns.

Windfern Pointe Apartments is an established low-income housing property in Harris County, Texas. Juniper, as general partner, has a proven track record of addressing issues with diligent resolution and would continue that attention to detail with acquisition of the Windfern Pointe Apartments. To deny the pending application would deny the continuation of low-income housing through the Windfern Pointe Apartment property.

Please consider the request that you overturn the staff terminate of the referenced LIHTC application solely on the grounds of non-compliance issues and allow this application to move forward.

Thank you for your consideration of this matter.

Sincerely,
Juniper Investment Group

J. Douglas Rippeto, Jr.
President

cc: Robbye Meyer
Patricia Murphy

09274

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 24, 2009

J. Douglas Rippeto
Jupiter Northwest Freeway-Creekwood Ltd.
6750 W. South Loop #870
Bellaire, Texas 77401

Re: Application #09274, Windfern Point Apartments

Dear Mr. Rippeto:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on June 12, 2009, regarding your request that the termination of your application be reconsidered and your application be reinstated in the 2009 Competitive Housing Tax Credit.

The application was terminated for two reasons. One, in accordance with §49.6(a) of the 2009 Qualifed Allocation Plan and Rules (QAP) which does not allow the Department to allocate credits to an existing development that is located in the 100-year floodplain unless the development is already receiving federal assistance from HUD or USDA. The development in question is located within the 100-year floodplain and does not meet the requirement of current federal assistance. Your appeal did not provide any response or explanation of this issue

Secondly, two developments that were under the control of your company, Creekwood Apartments and Garden Gate Apartments, were identified to be in material noncompliance on May 1, 2009. In accordance with §49.5(b)(2) of the QAP, the application should be disqualified and may not be considered for an award of housing tax credit. In addition, your company failed to submit the Annual Owner's Compliance Reports for 2008 for the Garden Gate Apartments on March 1, 2009. A notice of noncompliance and copies of IRS Forms 8823 were issued to the owner on May 27, 2009. Although many items of noncompliance may have been corrected, the noncompliance scores of both developments remain above the Department's threshold. Threrefore, application is disqualified from consideration pursuant to §49.5(b)(2) of the QAP.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/rgm

09274

Board Appeal Documents

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing. My appeal documentation, which identifies my specific grounds for appeal, is attached.

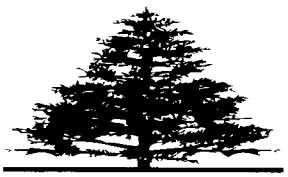
If my appeal is denied by the Executive Director, I: (check one)

☑ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Windfern Pointe Apartments
Development Address:	9515 West Gulf Bank Road, Houston, Tx.
Signer's Name	J. Douglas Rippeto, Jr.
Signer's Title:	President
Date:	June 10, 2009

Signed: _____



JUNIPER
INVESTMENT
GROUP

June 18, 2009

Board of Directors
Texas Department of Housing and
Community Affairs
221 East 11th Street
Post Office Box 13941
Austin, Texas 78711-3941

Re: #09274 Windfern Pointe Apartments in Houston, Texas
9% Housing Tax Credit Application

Gentlemen:

On June 25, 2009, the above referenced application will be on your agenda. Two waivers are requested in order for the application to move forward.

First, a waiver of the flood plain requirement has been requested. Extensive materials have been provided to both the TDHCA staff and Executive Director over the course of the review process. One further piece of information (attached) is added for your review and consideration. Harris County has quantified the benefit of its to date mitigating measures and continues to move forward with the balance of its 2008 – 2012 plan which will deliver further direct flood mitigating benefit to the specific area where the Windfern Apartments are located. Jacob Speen, P.E. at the Harris County Flood Control District (Planning Department) has been requested to furnish directly to the Board confirmation of the reduced risk to the Windfern Pointe Apartments.

Further, application for HOME Funds is proceeding directly with Harris County. While there is a similar restriction in the Harris County process, the flood plain issue is addressed on a case-by-case basis for rehab projects. An existing property's location in the flood plain no longer represents an automatic disqualification because of Harris County's recognition that recent efforts in the Houston area are reducing flood risks.

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email: jay@juniperinvestmentgroup.com

Taking into consideration the decreasing flood risk to the Windfern Pointe Apartments and ongoing mitigation work which will lessen the risk further, request is made that the floodplain restriction be waived and the application be allowed to move forward.

The second waiver request addresses the non-compliance status of two unrelated properties which are affiliated with the developer for Windfern Pointe Apartments. As Board Members, you may not be familiar with the execution of TDHCA inspections and the resulting scoring methodology. A discussion of the actual inspection process follows for your information and consideration.

TDHCA inspections are conducted on two levels: a lease file review and a physical property (including individual units) inspection. When conducting the lease file audit, the inspector(s) randomly select a specified number of lease files. The inspection begins at the back of the file (oldest materials) and proceeds forward. If / when something is found which is out of compliance, then the date on the non-compliant document becomes the Non-Compliance Date reported on the Issues of Non-Compliance Report. The actual item which is non-compliant may be dated several years before the date of the inspection when the item was identified as being out of compliance. The corrective materials are required to be submitted to the inspector within thirty (30) days of the inspection date. Once the inspector has the opportunity to review the corrective materials and approve the corrective actions taken by staff, then the Correction Date is logged into the system.

For non-compliance issues relating to lease file review, the date of identifying the non-compliance event and the date upon which the non-compliance is corrected can be within a short period of time. However, the scoring report may show dates which fall years apart due to the reporting parameters. Additionally, this method of locating and dating non-compliance events could penalize a current ownership with a previous owner's event of non-compliance.

With regard to the physical inspection of the property, the inspectors walk / evaluate conditions on both the property in general and units in particular. The TDHCA inspectors give written notice of the date and time of their inspections. Examples of major violations properties are often cited for are (a) furniture obstructing access to exits, for example a resident's bed being placed in front of a window (safety issue) and (b) infestation, usually bed bugs (health issue).

The TDHCA inspectors recommend that the property staff walk the units prior to the date of inspection and physically move furniture, if needed. As a practical matter, where you have a property which is 200 units or larger, were you to walk each unit moving furniture (usually beds) as recommended, there is no guarantee that the resident won't return the furniture to where it was immediately upon the staff exiting and before the inspection of that apartment.

Further there is a concern for enacting random searches of residents' units. Each resident's lease grants a covenant of quiet enjoyment of their unit. Random inspections and physically relocating their possessions could run foul of that contracted covenant.

Once an event of non-compliance is scored (initially reported), the event score remains until corrective action has been documented and accepted. At that time, the event score is reduced or rescored. The rescored value of the non-compliance event remains on the property's Issues of Non-Compliance Report for three (3) years. At the conclusion of three (3) years, the event score is reduced to zero.

The above policies contribute to or distort the non-compliance score for the two properties associated with the waiver request. Specifically, the Garden Gate (Fort Worth) Apartments show an event score of 7 points which was attributable to or rescored during the previous ownership but remains because of the three (3) year rule. Removing the previous ownership's event score would reduce the Garden Gate (Fort Worth) score from 32 to 25 removing the stigma of material non-compliance.

Similarly, the Creekwood property has 1 event point attributable to prior ownership and 10 event points (dating back to January, 2007) attributable to a resident maintaining cords across the floor (trip hazard) and infestation; both matters beyond the control of on-site personnel. Removing these 11 event points would reduce the Creekwood score from 36 to 25 removing it from material non-compliance.

It is Juniper's position that a better understanding of the program's non-compliance monitoring function will demonstrate the disconnect between the diligence with which a property is operated and the policies for non-compliance scoring. Reality should factor into the consideration of any property owner's application rather than relying solely on a numerical score.

Thank you for your consideration of this matter.

Sincerely,
Juniper Investment Group

J. Douglas Rippeto, Jr.
President

cc: Mike Gerber
Robbye Meyer
Patricia Murphy

HCFCD Lead Projects
Section 211(f)

White Oak Bayou

FEDERAL BRIEFING
HARRIS COUNTY FLOOD CONTROL DISTRICT
FEBRUARY 2009 WASHINGTON, D.C.

WHITE OAK BAYOU SECTION 211(f) FLOOD CONTROL PROJECT INFORMATION

DESCRIPTION

- White Oak Bayou watershed - 110 square miles
- Upper White Oak project authorization – 1986; Entire watershed study authorization – 1996
- Harris County Flood Control District (HCFCD) manages the project, performs the study and prepares the planning reports following Corps guidelines to obtain Corps endorsement of recommended project
- Corps monitors the overall project and approves HCFCD work
- Apparent NED plan: 15 miles grass-lined channel conveyance improvement, 5 detention basin complexes (7 basins at 3,500 acre-feet)
- Aesthetic features and environmental quality features, and recreational opportunities are included

PROGRESS

- Expedited reconnaissance report approved by Corps March 1999
- Reimbursement Agreement executed August 2006
- Draft General Reevaluation Report (GRR) reviewed by Galveston District March 2006
- Goal
  - Conduct Alternative Formulation Briefing early 2009
  - Submit GRR to Corps Headquarters late 2009

APPARENT BENEFITS/COSTS

- Number of structures subject to a 10% (10-year) flood reduced from 1,300 to 50
- Number of structures subject to a 4% (25-year) flood reduced from 2,600 to 750
- Number of structures subject to a 1% (100-year) flood reduced from 6,100 to 4,500 → includes the Windfern Pointe apartments
- Total first cost estimate $225 Million (est. HCFCD: $74M, Corps: $151M)
- Benefit-to-Cost ratio = 2.6

FEDERAL FUNDING

	FY98 - FY09	*FY10 Needed*	*FY11 – FY19**
Appropriations	$3,653,000+ FY09	$3,600,000	$10–15 million/year
For	Feasibility	Feasibility	Construction/Reimbursement*

*Assuming ASA(CW) approval and new start are obtained

CONGRESSIONAL SUPPORT NEEDED

- Continue annual funding for the project
- New start for construction general funding, at appropriate time
- Adjust reimbursement maximums per Energy and Water Development Appropriations Act of 2000, Section 102, if necessary

HCFCD REGIONAL FLOOD CONTROL PROJECT

GENERAL INFORMATION

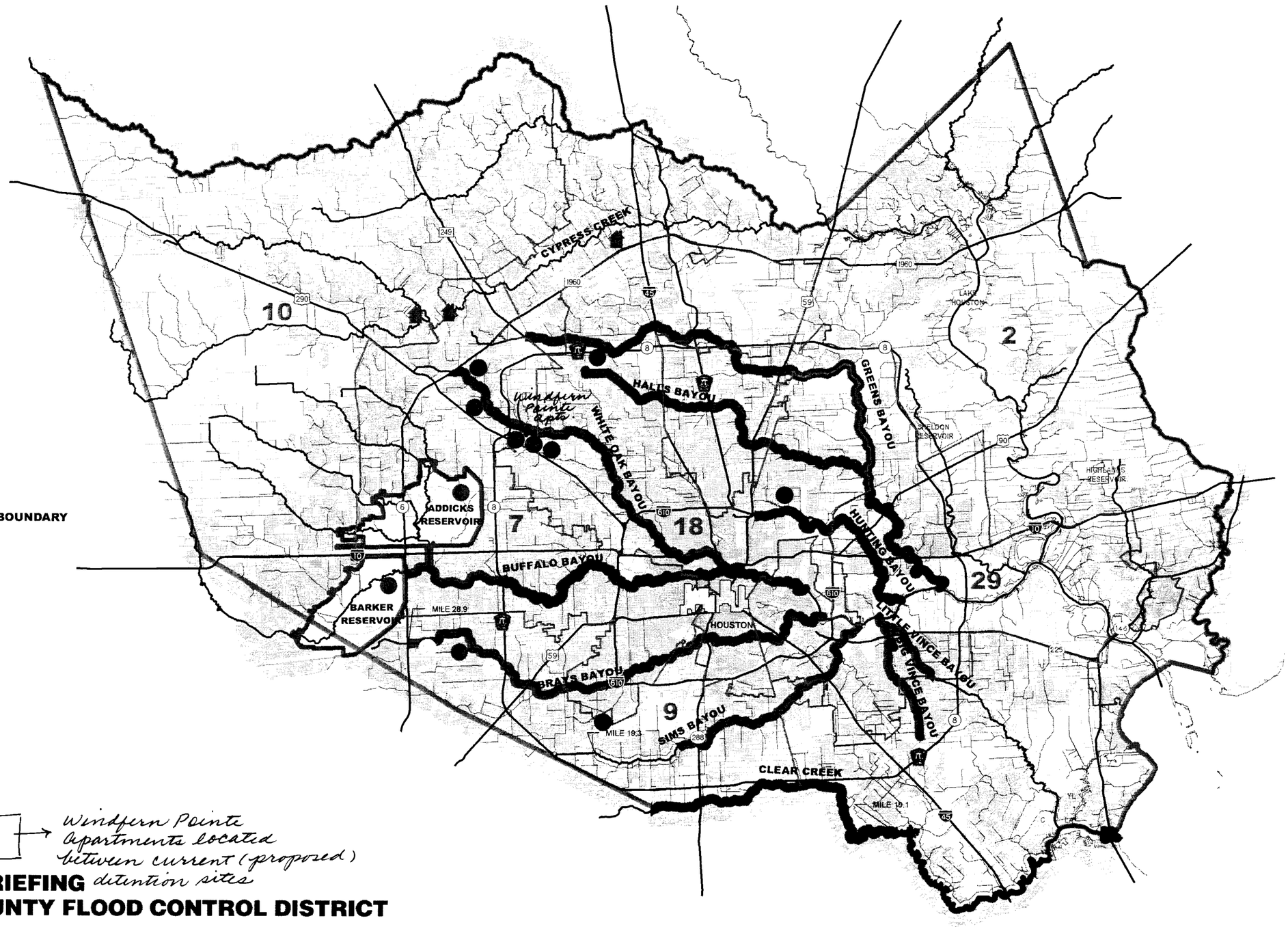
- Purchased 10 detention sites totaling 490 acres; excavated 6.2 million cubic yards (1.2 billion gallons, 2.3 Astrodomes) from 10 of the sites
- Completed 7.5 miles of channel conveyance improvement from Tidwell Rd. upstream to the Sam Houston Tollway. Jersey Village diversion channel improvement is scheduled for 2008.
- Two detention basins are currently under construction; Completion estimate fall 2009.
- Expenditures to date - $75M
- Federal Project incorporates many of the regional project components

ACTIVE FEDERAL PROJECTS STATUS SUMMARY

PROJECT	DESCRIPTION	CURRENT PROJECT AUTHORIZATION	CURRENT PHASE/STATUS	CURRENT PHASE EST. COMPLETION	TOTAL COST (spent to date)	FEDERAL (spent to date)	NONFED (spent to date)
Sims Bayou	19.3 miles of channelization (flood bench section); environmental mitigation & enhancements; 4% level of protection (full development); B/C=6.5	1986, 1990,1992	Construction (started 1994), 85% complete	2012	$379 million ($312 million)	$254 million ($196 million)	$125 million ($116 million)
Clear Creek & Tributaries	3 detention basins & in-line detention; 20.4 miles channelization; environmental enhancements; 10% level of protection (partial development); B/C=2.5	1968	General Reevaluation, 90% complete	2010	Current est. $297 million ($50 million)*	$125 million ($31 million)*	$42 million ($19 million)*
Greens Bayou	1 detention basin; 3.7 miles channelization; environmental enhancements; 10% level of protection (partial development); B/C=4.0	1990	Need Construction designation, 0% complete	2013	$38 million ($10 million)	$29 million ($5 million)	$9 million ($5 million)
Brays Bayou - Upstream Element; Section 211(f)	3 detention basins; in-channel control structures; 3.7 miles channelization; environmental enhancements; 1% level of protection (full development); B/C=4.6	1990	Construction (started 1994); 85% complete; PCA signed Mar. 2000	2013 (assumes fed. reimbursment continues)	$162 million ($103 million)	$117 million ($52 million)	$45 million ($51 million)
Brays Bayou - Downstream Element; Section 211(f)	1 detention basin; 17.4 miles channelization; environmental enhancements; Near 1% level of protection (full development); B/C=2.7	1990	General Reevaluation, complete; ASA(CW) reviewing	2009	Current est. $327 million	$151 million	$176 million
Hunting Bayou; Section 211(f)	1 detention basin; 3.8 miles channelization; environmental enhancements; Near 1% level of protection (partial develop.); B/C=2.9	1990	General Reevaluation, 85% complete	2011	Current est. $176 million	$88 million	$88 million
White Oak Bayou; Section 211(f)	5 detention basin complexes; 11.5 miles channelization; environmental enhancements; Near 10% level of protection (full development); B/C=2.6	1986	General Reevaluation, 90% complete; R.A. signed Feb. 2006	2010	Current est. $225 million	$151 million	$74 million
Halls Bayou; Section 211(f)	Without Project Conditions to ATR in 2009; Component identification & evaluation underway	1990	General Reevalution (started 2006), 30% complete	2012	--	--	--
Buffalo Bayou - Main Stem; Section 211(f)	Without Project Conditions to ATR in 2009; Component identification & evaluation underway	1954	General Reevalution (started 2006), 30% complete	2012	--	--	--

* Includes costs for both GRR and channelization project currently on hold.

Active and Completed Corps of Engineers Projects



N

SCALE IN MILES

0 1 2 3

LEGEND

- CHANNEL NETWORK
- CONGRESSIONAL DISTRICT BOUNDARY

COMPLETED

- CHANNEL
- DETENTION BASIN
- BUYOUT

CONSTRUCTION PHASE

- CHANNEL
- DETENTION BASIN

STUDY PHASE

- CHANNEL
- PROPOSED DETENTION SITE (GENERAL LOCATION) → Windfern Pointe Apartments located between current (proposed) detention sites

Harris County Flood Control District

FEDERAL BRIEFING
HARRIS COUNTY FLOOD CONTROL DISTRICT
FEBRUARY 2009 WASHINGTON, D.C.

Active and Completed Corps of Engineers Projects.mxd

Federal Flood Control Projects
U.S. Congressional District 7

WHITE OAK BAYOU

Windfern Pointe Apts.

ADDICKS RESERVOIR

BARKER RESERVOIR

BUFFALO BAYOU

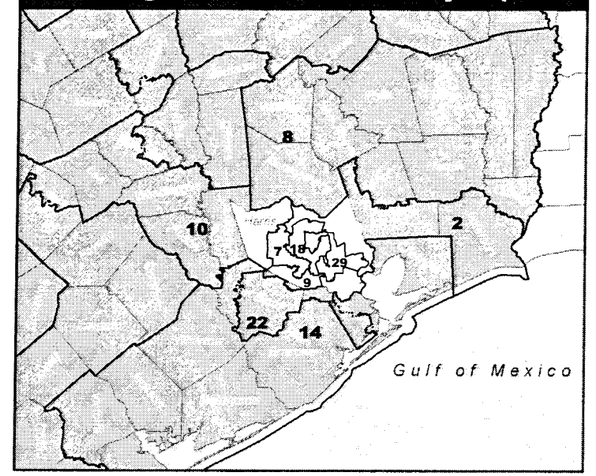
BRAYS BAYOU

N
W E
S

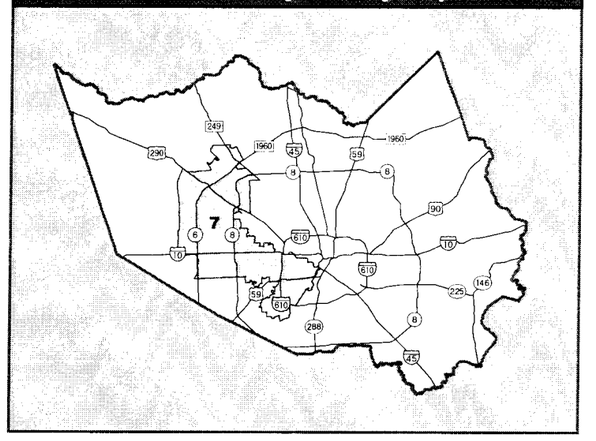
0 1 2 Miles

The roadway data used in this map are derived from the STAR*Map®. STAR*Map is a registered trademark of the Houston-Galveston Area Council and the Geographic Data Committee.

Congressional District Vicinity Map



Harris County Vicinity Map



Legend

Completed Federal Projects
- Channel
- Detention
- Buyout

Federal Projects Under Construction
- Channel
- Detention

Federal Projects Under Study
- Channel
- Proposed Detention Site

Harris County Flood Control District

WORKING TOGETHER... federal local Partnerships

US Army Corps of Engineers

FEDERAL BRIEFING FEBRUARY 2009

SF-Congressional District Briefing (2005-District 7).mxd

09288

Chaminade Apartments

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Chaminade Apartments.

Background and Recommendations

Chaminade Apartments - 09288

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated because the entity requesting assistance has control of an existing 184-unit HOME rental development monitored by the Department that was in Material Noncompliance as of May 1, 2009. Pursuant to §49.5(b)(2) of the 2009 QAP:

> "The Department will disqualify an Application, and/or debar a Person, if it is determined by the Department that any issues identified in the paragraphs of this subsection exist. The Department may debar a Person for one year from the date of debarment, or until the violation causing the debarment has been remedied, whichever term is longer, if the Department determines the facts warrant it. Causes for disqualification and debarment include:
>
> > The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in Chapter 60 of this title on May 1, 2009 for Competitive Housing Tax Credit Applications..."

Although the noncompliance issues have been corrected and the property is no longer in Material Noncompliance, staff has terminated the application because the the entity requesting assistance has control of a Development that was in Material Noncompliance on May 1, 2009.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	SAAHC Chaminade Apartments, LP, a Texas limited partnership
Site Location:	330 West Cheryl Drive
City/County:	San Antonio/Bexar
Regional Allocation Category:	Urban
Population Served:	General
Region:	9
Set Aside:	At-Risk, Nonprofit
Type of Development:	Acquisition/Rehabilitation
Units:	200
Credits Requested:	$1,123,738

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal. The Board does not have the ability to waive the rules regarding Material Noncompliance.

09288

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 5, 2009

John Shaver
San Antonio Alternative Housing
1215 South Trinity
San Antonio, Texas 78207

RE: Application #09288, Chaminade Apartments

Dear Mr. Shaver:

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the review process of the application, the Department performed a compliance status evaluation in accordance with §49.9(d)(7) of the 2009 Qualified Allocation Plan (QAP).

Center Park Apartments is a 184 unit HOME rental development listed on your Previous Participation and Background Certification Form. The property was in Material Noncompliance on May 1, 2009 with a score of 89. A property is considered to be in Material Noncompliance if the score exceeds 50 points and has financing with program funds other than Housing Tax Credits.

Pursuant to §49.5(b)(2) of the QAP, the Department is required to disqualify an application if:

"The Applicant, Development Owner, Developer or Guarantor or anyone that has Controlling ownership interest in the Development Owner, Developer or Guarantor, or any Affiliate of such entities that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Noncompliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in Chapter 60 of this title on May 1, 2009 for Competitive Housing Tax Credit Applications..."

Although the noncompliance issues have been corrected and the property is no longer in Material Noncompliance, staff has terminated the application pursuant to §49.5(b)(2) of the 2009 QAP, because the property was in Material Noncompliance on May 1, 2009.

You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on June 12, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

MFF/rgm

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing. My appeal documentation, which identifies my specific grounds for appeal, is attached.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09288

Appeal Documents

SAAHC

San Antonio Alternative Housing Corporation

1215 S. Trinity, San Antonio, TX 78207 (210) 224-2349 (210) 224-9686 Fax

June 11, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing & Community Affairs
221 East 11th Street
Austin, Texas 78701

Re: Appeal of Termination of Application #09288, Chaminade Apartments

Dear Mr. Gerber:

San Antonio Alternative Housing Corporation (SAAHC) respectfully appeals the termination of Application #09288, Chaminade Apartments.

As per the notification letter of June 5, 2009 from Ms. Meyer, the application was terminated due to the Center Park Apartments (another property controlled by SAAHC) being in Material Noncompliance as of May 1, 2009. We appeal the termination of the Chaminade application based on the following issues with regard to the Center Park noncompliance: 1- the denial of the owner's request for a delay of the physical inspection due to a major system failure, 2- the delay of receiving the deficiency notice, which was issued over two months after the inspection and 3- verification that the property was physically in compliance within five weeks of the TDHCA inspection. While we do not condone being in Material Noncompliance at anytime, we wish to explain the circumstances which precluded us being able to pass the initial inspection and provide the timely documentation verifying that the conditions have been corrected.

#1 – Denial of Extension

The Center Park Apartments, a 184 unit property constructed in the 1960s, experienced gas leaks from its underground gas system which runs throughout the property in August 2008. This prompted the entire gas system being shut down. Since the leaks could not be located, a temporary city approved above ground gas line was installed throughout the property to ensure hot water and cooking for all residents while the repair work was being completed. While the temporary lines were being installed, the plumbing contractor designed a completely new underground system, with installation of the system beginning on September 15, 2009.

During this period both the property management staff and SAAHC staff worked diligently to address the needs of the residents while this major work was being completed. Meals were provided for residents during the initial week. During the several

weeks when gas was unavailable from the above ground temporary lines, hot plates and microwave ovens were provided to all residents for cooking. SAAHC staff provided shuttle service to another property owned by SAAHC for residents wishing to take hot showers. Very few residents chose to break their lease during this major undertaking, and were very cooperative with the owner and contractors.

SAAHC received notices from both HUD and TDHCA that they would perform property inspections during the time the gas system was being repaired. Knowing that the property would not pass physical inspections, SAAHC Asset Management Division requested postponement of physical inspections from both HUD and TDHCA. The apartment site was torn up, in addition to having temporary gas lines above ground; there were numerous sidewalks which were cut for the installation of new lines, as well as trenching, dirt grading, and asphalt cuts in the parking area. Other exterior repairs could not be undertaken until the underground lines were completed. HUD approved the REAC inspection postponement from Oct. 6 to mid December. The TDHCA request to postpone the inspection was made on October 29, 2008, and was denied on October 30, 2008.

The new underground gas line was completed and accepted by the City of San Antonio in early November. On November 7, 2008 another construction contractor began the work of repairing the site work damaged by the gas line replacement, which was extensive. The contractor took five weeks to complete the concrete, asphalt and grading work. This work, as well as wood replacement and painting, was completed on December 18, 2008.

The TDHCA inspection took place at the beginning of this work on November 11, 2008, when the site work repair had just begun. Based on this inspection, TDHCA issued a inspection failure notice, dated January 20, 2009. By contrast the postponed HUD REAC inspection took place on December 9, 2009, when most of the site work had been completed. We were notified within the week that the property passed the HUD REAC inspection. We believe we would have passed the TDHCA physical inspection had we been given a similar extension as requested. To further substantiate our assumption, the same inspector conducted both inspections.

<u>#2 – Delay Receiving Deficiency Notice</u>
TDHCA mailed out a Deficiency Notice which indicated the items that had to be corrected with 90 days. The Notice required that the documentation of the corrections be provided to TDHCA by April 20, 2009. The Management Company attempted to send the scanned documentation to TDHCA for the physical inspection issues on April 20, 2009, but was unable to do so due to the numerous pictures in the report. Since the electronic submission could not go through, TDHCA staff approved the management company sending the material for overnight delivery. The Property Management Company and TDHCA staff spoke on April 30, 2009 regarding additional clarification requested by TDHCA regarding material previously submitted. A deficiency letter was sent from TDHCA for this additional material dated May 1, 2009, and received by SAAHC via email on May 6, 2009. The requested information was provided to TDHCA, and Center Park was cleared on May 13, 2009.

Due to the deficiency notification being made in late January, 2009 (two months after the inspection) and the 90 day period for the submission of documentation verifying the

corrective action, it was virtually impossible to clear the development in order to ensure that no deficiency existed on May 1, 2009, thus impacting the Chaminade Apartment application. While TDHCA staff was professional and courteous throughout the process, they could not review all of the material and obtain additional clarification in the brief period between April 22 and April 30, 2009. The information provided by the Management Company to TDHCA in response to the May 1 letter was merely to provide clarity to the information previously provided in April.

#3 – The Property Passed the HUD REAC Inspection in December

Again, as we noted earlier, the property passed the postponed HUD REAC inspection which was conducted in December. The main issue appears to be one of documenting and reviewing the work completed on numerous items found in TDHCA's early November inspection.

San Antonio Alternative Housing Corporation has been diligent in its efforts to address the need for affordable housing in our State. We request that you consider the crisis situation which precluded this failing score in light of our past work, as well as the fact that we promptly took corrective action once the gas system failure was addressed, and rule in our favor of this appeal.

We will provide additional information or documentation should this be requested to assist in evaluating our request. Thanking you for your assistance in reviewing tour request.

With the hope that this reaches you in Peace, I remain

Sincerely,

Rod Radle
Executive Director

CC: Ms. Robbye Meyer, Director of Multifamily Finance
Ms. Sharon Gamble via email
Ms. Cynthia Bast via email

09288

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 24, 2009

John Shaver
San Antonio Alternative Housing Authority
1215 South Trinity
San Antonio, Texas 78207

Re: Application #09288, Chaminade Apartments

Dear Mr. Shaver:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on June 11, 2009, regarding your request that your application be reconsidered for participation in the 2009 Competitive Housing Tax Credit cycle under §49.5(b)(2) Material Noncompliance, of the 2009 Qualified Allocation Plan ("QAP").

The above referenced application was terminated because another development that was under the control of your company, Center Park Apartments, was identified to be in material noncompliance on May 1, 2009. In accordance with §49.5(b)(2) of the QAP, the application should be disqualified and may not be consider for an award of housing tax credits.

Although the corrective action for the Uniform Physical Condition Standards (UPSC) inspection has been cleared and the score is now below the material noncompliance level, the QAP does not provide staff with an alternative to deviate from the disqualification

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board has been placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

09288

Board Appeal Documents

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing. My appeal documentation, which identifies my specific grounds for appeal, is attached.

If my appeal is denied by the Executive Director, I: (check one)

[X] Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

[ ] Do not wish to appeal to the Board of Directors.

Development Name:	#09288, Chaminade Apartments
Development Address:	330 W. Cheryl, San Antonio, TX 78228
Signer's Name	Rod Radle
Signer's Title:	Executive Director
Date:	June 11, 2009

Signed: _____

09236

Woodland Park at Greenville, Phase I

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Woodland Park at Greenville, Phase I.

Background and Recommendations

Woodland Park at Greenville, Phase I - 09236

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated because the Applicant failed to meet the eligibility requirements under §49.5(a)(7) of the 2009 Qualified Allocation Plan and Rules ("QAP").

Pursuant to the QAP, an Application is ineligible if:

(7) The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))

(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and

(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development;

(C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) of this paragraph must be received by the Department no later than April 1, 2009 (or for Tax-Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered) and may not be more than one year old from the date the Volume 1 is submitted to the Department;

The Application was terminated because the Application included a resolution from the City of Greenville that was passed on January 8, 2008, which is more than one year before the Application was submitted. Further, the resolution is for the award of tax credits for a

development containing 120 units, 48 one-bedroom units and 72 two-bedroom units. This development is not the same as the one mentioned in the resolution.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Woodland Park at Greenville, L.P., a to-be-formed Texas limited partnership
Site Location:	2100 Trader Road
City/County:	Greenville/Hunt
Regional Allocation Category:	Rural
Population Served:	Elderly
Region:	3
Set Aside:	None
Type of Development:	New Construction
Units:	74
Credits Requested:	$621,666
Staff Recommendation:	The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09236

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 17, 2009

Mr. Mark E. Feaster
Woodland Park at Greenville, LP
3030 N. Topeka Blvd., Ste. 100
Topeka, Kansas 66617

Re: Application #09236, Woodland Park at Greenville, Phase I

Dear Mr. Feaster,

On February 27, 2009 you submitted a Housing Tax Credit application for the above-referenced development to the Texas Department of Housing and Community Affairs (the "Department"). It has been determined that this application has not met the eligibility requirements under §49.5(a)(7) of the 2009 Qualified Allocation Plan ("QAP") for the reasons stated below.

Pursuant to the 2009 QAP, §49.5(a)(7), Ineligibility, an Application is ineligible if:

(7) The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))

(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and

(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development;

(C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) of this paragraph must be received by the Department no later than April 1, 2009 (or for Tax-Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered) and may not be more than one year old from the date the Volume 1 is submitted to the Department;

Your Application included a resolution from the City of Greenville that was passed on January 8, 2008, which is more than one year before the Application was submitted. Further, the resolution is for the award of tax credits for a development containing 120 units, 48 one-bedroom units and 72 two-bedroom units. This development is not the same as the one mentioned in the resolution.

Pursuant to §49.5(a)(7) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There

is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on Wednesday, June 24, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Wednesday, June 24, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09236

Appeal Documents

June 22, 2009

To: Mr. Michael Gerber, Executive Director

Texas Department of Housing and Community Affairs

Cc: Robbye Meyer, Director of Multi-family Housing Finance

Sharon Gamble, Multi-family HTC Program Administrator

From: Mark Feaster

Hersh Development Co./Woodland Park at Greenville I & II

Re: Appeal of termination notice:

Application #09236 Woodland Park at Greenville, Phase I

Application #09238 Woodland Park at Greenville, Phase II

06-24-09A11:23 RCVD

Please let this serve as the appeal to both of the above referenced applications as they are inter-related and have the same reason for termination.

To provide background, we originally applied for tax credits for a 120 unit senior development in Greenville in late 2007 using the 4% credits in conjunction with tax free bonds. Our application was recommended for approval to the board at about the time the 4% equity market was deteriorating and our equity partner backed out of our deal. We withdrew the application before the board acted on it. Subsequently, we decided to pursue the project as a 9% application only to find out that the designation for Greenville had been changed from urban to rural and that the size of the development was limited to 80 units. We were advised by TDHCA staff that we could file applications for Phase I and Phase II to complete our 120 unit development that we already have complete engineering and building plans completed in anticipation of closing our original bond transaction.

The resolution of support (a copy of which is attached) that was adopted by the city of Greenville was for the support of 120 units of affordable senior housing for Greenville using the tax credit program administered by TDHCA. City staff informed us that there is no expiration for that resolution since an expiration date was not included in the original document. The resolution was adopted on January 8th, 2008 which is less than one year before the date that applications could be filed, but is 45 days past one year from the date we actually filed.

We would contend that the resolution is still valid and in effect as there is no expiration date, and that it covers the 120 units of senior housing that we have applied for in Phase I and Phase II and would request that both of our applications be re-instated.

Thank you for your consideration.

RESOLUTION NO. 08-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GREENVILLE, TEXAS, SUPPORTING THE WOODLAND PARK AT GREENVILLE FOR THE DEVELOPMENT OF 120 MULTI-FAMILY (SENIOR) RESIDENTIAL AFFORDABLE HOUSING UNITS LOCATED AT THE 2100 BLOCK OF TRADERS ROAD, COMPRISED OF 48 ONE-BEDROOM AND 72 TWO-BEDROOM APARTMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in January, 2007, Hersh and The City's Community Development Department started a series of discussions regarding a proposal for a senior affordable housing development in Greenville that met the requirements of The City's Comprehensive Plan; and

WHEREAS, on August 22, 2007, Hersh Development Company ("Hersh") received an inducement from the Northeast Central Texas Housing Finance Corporation to apply for Private Activity Bonds; and

WHEREAS, on September 20, 2007, Hersh received an allocation of private activity bonds from the Northeast Central Housing Finance Company (HFC) in the amount of $8,500,000 in private activity bonds; and

WHEREAS, on October 15, 2007, the Planning and Zoning Commission of the City of Greenville and on October 23, 2007 the Greenville City Council approved a request to amend the Comprehensive Plan by changing the Future Land Use designation from Retail to High Density Residential; and a request to amend Zoning Ordinance No. 90-100 by changing the zoning district designation from Light Industrial (I-1) to Multi-Family One (MF-1) on a 7.98 acre track of land being part of the Sarah Hamilton Survey, A-479; and

WHEREAS, under the Texas Department of Housing and Community Affairs (TDHCA) rules in the 2007 Qualified Allocation Plan and Rules (QAP), if the development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits (HTC) or private activity bonds, the applicant must obtain prior approval of the development from the governing body of the municipality; and

WHEREAS, since the inception of the HTC program in 1988, Greenville has received awards for three family developments with 400 units:

Family HTC Developments Awarded in Greenville: 1988 – 2007

Year	Development Name	Address	Type	Units	Census Tract
1992	The Arbors	1600 N Joe Ramsey Blvd	Family	100	9508
1996	Sayle Village	4101 Sayle St	Family	50	9609
2001	Ranch View Town Homes	5700 Industrial Dr	Family	250	9609
	Total			400	

WHEREAS, since the inception of the HTC program in 1988, Greenville has received awards for only one family development with 128 units:

Elderly HTC Developments Awarded in Greenville: 1988 – 2007

Year	Development Name	Address	Type	Units	Census Tract
2000	Villas of Greenville	5000 Joe Ramsey Blvd	Elderly	128	9612

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE:

SECTION 1. That the City approves and supports the TDHCA 4% tax credits for which the applicant has applied; and the Northeast Central Texas Housing Finance Corporation private activity bonds of $8,500,000 which have been allocated to the Woodland Park at Greenville for the development of 120 multifamily residential affordable housing units located at 2100 block of Traders Road comprised of 48 one-bedroom and 72 two-bedroom apartments.

SECTION 2. That the City Manager is authorized to convey a copy of this resolution to the Applicant and TDHCA referencing § 50.5(a)(7)(A-B) of the Qualified Allocation Plan.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Greenville, and it is accordingly so resolved.

PASSED AND APPROVED, this the 8th day of January, 2008.

Wayne Gilmore, Mayor Pro Tem

ATTEST:

Debra Newell, City Secretary

APPROVED AS TO FORM:

Robert L. Scott, City Attorney

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS)
COUNTY OF HUNT)
CITY OF GREENVILLE)

I, Debra Newell, the duly appointed, qualified and acting City Secretary in and for the City of Greenville, Texas, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Texas, do certify that the above, foregoing and attached is a true, accurate and correct copy of Resolution 08-02 from the January 8, 2008 City Council meeting as passed and approved by the members of the City Council of the City of Greenville, Texas on January 8, 2008.

***WITNESS MY HAND AND SEAL OF SAID CITY**, this the 9th day of January, 2008.*

Debra Newell, City Secretary
in and for the City of Greenville, Texas

09236

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

July 3, 2009

Mr. Mark E. Feaster
Woodland Park at Greenville, LP
3030 N. Topeka Blvd., Ste. 100
Topeka, Kansas 66617

Re: Application #09236, Woodland Park at Greenville, Phase I

Dear Mr. Feaster:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on June 24, 2009, regarding your request that the termination of your application be reconsidered and the application be reinstated in the 2009 Competitive Housing Tax Credit.

The application was terminated in accordance with a statutory requirement in §2306.6703(a)(4), Texas Government Code which states if:

> *"The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))*
>
> *(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and*
>
> *(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development"*

Additionally, §49.5(a)(7)(C) 2009 Qualifed Allocation Plan and Rules (QAP) sets forth the timeline and date that such resolution must be received. The QAP clearly states that the resolution must be received by the Department no later than April 1, 2009 and may not be older than one year old from the date the Volume 1 is submitted. The Volume 1 for the above referenced application was submitted to the Department on February 27, 2009.

The resolution you submitted was received by the Department before the April 1, 2009 deadline. However, the resolution is dated January 8, 2008. The resolution is over a year old. Therefore, the resolution does not meet the year requirement. The resolution also describes a different development.

The resolution from the Governing Body is a statuory requirement and is not waivable by the Department. The final review of the appeal confirms staff's determination.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09236

Board Appeal Documents

06-24-09A11:23 RCVD

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the ~~June~~ July 16 ~~25,~~ 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Wednesday, June 24, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Woodland Park at Greenville, I
Development Address:	2100 Traders Rd, Greenville, TX
Signer's Name	Mark Feaster
Signer's Title:	COO, Hersh Development Co.
Date:	June 23, 2009

Signed: Mark Feaster

09238

Woodland Park at Greenville, Phase II

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Woodland Park at Greenville, Phase II.

Background and Recommendations

Woodland Park at Greenville, Phase II - 09238

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated because the Applicant failed to meet the eligibility requirements under §49.5(a)(7) of the 2009 Qualified Allocation Plan and Rules ("QAP").

Pursuant to the QAP, an Application is ineligible if:

(7) The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))

(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and

(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development;

(C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) of this paragraph must be received by the Department no later than April 1, 2009 (or for Tax-Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered) and may not be more than one year old from the date the Volume 1 is submitted to the Department;

The Application was terminated because the Application included a resolution from the City of Greenville that was passed on January 8, 2008, which is more than one year before the Application was submitted. Further, the resolution is for the award of tax credits for a

development containing 120 units, 48 one-bedroom units and 72 two-bedroom units. This development is not the same as the one mentioned in the resolution.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Woodland Park at Greenville II, L.P., a to-be-formed Texas limited partnership
Site Location:	2100 Trader Road
City/County:	Greenville/Hunt
Regional Allocation Category:	Rural
Population Served:	Elderly
Region:	3
Set Aside:	None
Type of Development:	New Construction
Units:	46
Credits Requested:	$323,728
Staff Recommendation:	The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09238

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 17, 2009

Mr. Mark E. Feaster
Woodland Park at Greenville II, LP
3030 N. Topeka Blvd., Ste. 100
Topeka, Kansas 66617

Re: Application #09238, Woodland Park at Greenville, Phase II

Dear Mr. Feaster,

On February 27, 2009 you submitted a Housing Tax Credit application for the above-referenced development to the Texas Department of Housing and Community Affairs (the "Department"). It has been determined that this application has not met the eligibility requirements under §49.5(a)(7) of the 2009 Qualified Allocation Plan ("QAP") for the reasons stated below.

Pursuant to the 2009 QAP, §49.5(a)(7), Ineligibility, an Application is ineligible if:

(7) The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))

(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and

(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development;

(C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) of this paragraph must be received by the Department no later than April 1, 2009 (or for Tax-Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered) and may not be more than one year old from the date the Volume 1 is submitted to the Department;

Your Application included a resolution from the City of Greenville that was passed on January 8, 2008, which is more than one year before the Application was submitted. Further, the resolution is for the award of tax credits for a development containing 120 units, 48 one-bedroom units and 72 two-bedroom units. This development is not the same as the one mentioned in the resolution.

Pursuant to §49.5(a)(7) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There

is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on Wednesday, June 24, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Wednesday, June 24, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09238

Appeal Documents

June 22, 2009

To: Mr. Michael Gerber, Executive Director

Texas Department of Housing and Community Affairs

Cc: Robbye Meyer, Director of Multi-family Housing Finance

Sharon Gamble, Multi-family HTC Program Administrator

From: Mark Feaster

Hersh Development Co./Woodland Park at Greenville I & II

Re: Appeal of termination notice:

Application #09236 Woodland Park at Greenville, Phase I

Application #09238 Woodland Park at Greenville, Phase II

09-24-09 A11:23 RCVD

Please let this serve as the appeal to both of the above referenced applications as they are inter-related and have the same reason for termination.

To provide background, we originally applied for tax credits for a 120 unit senior development in Greenville in late 2007 using the 4% credits in conjunction with tax free bonds. Our application was recommended for approval to the board at about the time the 4% equity market was deteriorating and our equity partner backed out of our deal. We withdrew the application before the board acted on it. Subsequently, we decided to pursue the project as a 9% application only to find out that the designation for Greenville had been changed from urban to rural and that the size of the development was limited to 80 units. We were advised by TDHCA staff that we could file applications for Phase I and Phase II to complete our 120 unit development that we already have complete engineering and building plans completed in anticipation of closing our original bond transaction.

The resolution of support (a copy of which is attached) that was adopted by the city of Greenville was for the support of 120 units of affordable senior housing for Greenville using the tax credit program administered by TDHCA. City staff informed us that there is no expiration for that resolution since an expiration date was not included in the original document. The resolution was adopted on January 8th, 2008 which is less than one year before the date that applications could be filed, but is 45 days past one year from the date we actually filed.

We would contend that the resolution is still valid and in effect as there is no expiration date, and that it covers the 120 units of senior housing that we have applied for in Phase I and Phase II and would request that both of our applications be re-instated.

Thank you for your consideration.

RESOLUTION NO. 08-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GREENVILLE, TEXAS, SUPPORTING THE WOODLAND PARK AT GREENVILLE FOR THE DEVELOPMENT OF 120 MULTI-FAMILY (SENIOR) RESIDENTIAL AFFORDABLE HOUSING UNITS LOCATED AT THE 2100 BLOCK OF TRADERS ROAD, COMPRISED OF 48 ONE-BEDROOM AND 72 TWO-BEDROOM APARTMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in January, 2007, Hersh and The City's Community Development Department started a series of discussions regarding a proposal for a senior affordable housing development in Greenville that met the requirements of The City's Comprehensive Plan; and

WHEREAS, on August 22, 2007, Hersh Development Company ("Hersh") received an inducement from the Northeast Central Texas Housing Finance Corporation to apply for Private Activity Bonds; and

WHEREAS, on September 20, 2007, Hersh received an allocation of private activity bonds from the Northeast Central Housing Finance Company (HFC) in the amount of $8,500,000 in private activity bonds; and

WHEREAS, on October 15, 2007, the Planning and Zoning Commission of the City of Greenville and on October 23, 2007 the Greenville City Council approved a request to amend the Comprehensive Plan by changing the Future Land Use designation from Retail to High Density Residential; and a request to amend Zoning Ordinance No. 90-100 by changing the zoning district designation from Light Industrial (I-1) to Multi-Family One (MF-1) on a 7.98 acre track of land being part of the Sarah Hamilton Survey, A-479; and

WHEREAS, under the Texas Department of Housing and Community Affairs (TDHCA) rules in the 2007 Qualified Allocation Plan and Rules (QAP), if the development is located in a municipality that has more than twice the state average of units per capita supported by Housing Tax Credits (HTC) or private activity bonds, the applicant must obtain prior approval of the development from the governing body of the municipality; and

WHEREAS, since the inception of the HTC program in 1988, Greenville has received awards for three family developments with 400 units:

Family HTC Developments Awarded in Greenville: 1988 – 2007

Year	Development Name	Address	Type	Units	Census Tract
1992	The Arbors	1600 N Joe Ramsey Blvd	Family	100	9508
1996	Sayle Village	4101 Sayle St	Family	50	9609
2001	Ranch View Town Homes	5700 Industrial Dr	Family	250	9609
	Total			400	

WHEREAS, since the inception of the HTC program in 1988, Greenville has received awards for only one family development with 128 units:

Elderly HTC Developments Awarded in Greenville: 1988 – 2007

Year	Development Name	Address	Type	Units	Census Tract
2000	Villas of Greenville	5000 Joe Ramsey Blvd	Elderly	128	9612

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENVILLE:

SECTION 1. That the City approves and supports the TDHCA 4% tax credits for which the applicant has applied; and the Northeast Central Texas Housing Finance Corporation private activity bonds of $8,500,000 which have been allocated to the Woodland Park at Greenville for the development of 120 multifamily residential affordable housing units located at 2100 block of Traders Road comprised of 48 one-bedroom and 72 two-bedroom apartments.

SECTION 2. That the City Manager is authorized to convey a copy of this resolution to the Applicant and TDHCA referencing § 50.5(a)(7)(A-B) of the Qualified Allocation Plan.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Greenville, and it is accordingly so resolved.

PASSED AND APPROVED, this the 8th day of January, 2008.

Wayne Gilmore, Mayor Pro Tem

ATTEST:

Debra Newell, City Secretary

APPROVED AS TO FORM:

Robert L. Scott, City Attorney

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS)
COUNTY OF HUNT)
CITY OF GREENVILLE)

I, Debra Newell, the duly appointed, qualified and acting City Secretary in and for the City of Greenville, Texas, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Texas, do certify that the above, foregoing and attached is a true, accurate and correct copy of Resolution 08-02 from the January 8, 2008 City Council meeting as passed and approved by the members of the City Council of the City of Greenville, Texas on January 8, 2008.

***WITNESS MY HAND AND SEAL OF SAID CITY**, this the 9th day of January, 2008.*

Debra Newell, City Secretary
in and for the City of Greenville, Texas

09238

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

July 3, 2009

Mr. Mark E. Feaster
Woodland Park at Greenville, LP
3030 N. Topeka Blvd., Ste. 100
Topeka, Kansas 66617

Re: Application #09238, Woodland Park at Greenville, Phase II

Dear Mr. Feaster:

Appeal Review

I have carefully reviewed the application you submitted, as well as your appeal that was received on June 24, 2009, regarding your request that the termination of your application be reconsidered and the application be reinstated in the 2009 Competitive Housing Tax Credit.

The application was terminated in accordance with a statutory requirement in §2306.6703(a)(4), Texas Government Code which states if:

> *"The Development is located in a municipality or in a valid Extra Territorial Jurisdiction (ETJ) of a municipality, or if located completely outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax-Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant: (§2306.6703(a)(4))*
>
> *(A) Has obtained prior approval of the Development from the Governing Body of the appropriate municipality or county containing the Development; and*
>
> *(B) Has included in the Application a written statement of support from that Governing Body. This statement must reference this rule and authorize an allocation of Housing Tax Credits for the Development"*

Additionally, §49.5(a)(7)(C) 2009 Qualifed Allocation Plan and Rules (QAP) sets forth the timeline and date that such resolution must be received. The QAP clearly states that the resolution must be received by the Department no later than April 1, 2009 and may not be older than one year old from the date the Volume 1 is submitted. The Volume 1 for the above referenced application was submitted to the Department on February 27, 2009.

The resolution you submitted was received by the Department before the April 1, 2009 deadline. However, the resolution is dated January 8, 2008. The resolution is over a year old. Therefore, the resolution does not meet the year requirement. The resolution also describes a different development.

The resolution from the Governing Body is a statuory requirement and is not waivable by the Department. The final review of the appeal confirms staff's determination.

Appeal Determination

Your appeal is denied.

Per your request, your appeal to the Board will be placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09238

Board Appeal Documents

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

06-24-09A11:23 RCVD

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the ~~June~~ July 6/25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Wednesday, June 24, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	Woodland Park at Greenville, II
Development Address:	2100 Traders Rd. Greenville, TX
Signer's Name	Mark Feaster
Signer's Title:	COO, Hersh Development Co.
Date:	June 23, 2009

Signed: Mark Feaster

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Point Royale Apartments.

Background and Recommendations

Point Royale Apartments - 09112

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated because the Applicant failed to maintain control of the proposed Development site. Pursuant to §49.9(h)(7)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"), evidence of property control may include:

> "A contract for sale, an exclusive option to purchase or a lease which is valid for the entire period the Development is under consideration for tax credits."

The Applicant's appeal of the termination is based upon their assertion that the contract extensions between the Seller of the property and the Applicant has remained valid through the entire period that the Development is under consideration for tax credits.

Staff's review indicates that there are two contracts involved with this development. The first is between the actual Owner of the property and the proposed Seller of the property. The second contract is between the proposed Seller of the property and the Applicant. The contract between the proposed Seller and the Applicant has remained valid through timely executed amendments. However, the contract between the Owner of the property and the proposed Seller has a lapsed period between April 20, 2009 and May 26, 2009.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	Victoria Point Royale Apartments, L.P., a to-be-formed Texas limited partnership
Site Location:	4100 block of N. John Stockbauer Drive
City/County:	Victoria/Victoria

Regional Allocation Category:	Urban
Population Served:	General
Region:	10
Type of Development:	New Construction
Units:	120
Credits Requested:	$1,424,896

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09112

Point Royale Apartments

09112

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
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Gloria Ray, *Vice Chair*
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Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 17, 2009

Mr. T. Justin MacDonald
Victoria Point Royale Apartments, LP
2951 Fall Creek Rd.
Kerrville, Texas 78028
Phone: (830) 257-5323
Fax: (830) 257-3168

Re: Application #09112, Point Royale Apartments

Dear Mr. MacDonald:

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. During the review of the Threshold requirements, the Department identified a lapse in the site control for the proposed development site.

As stated in §49.9(h)(7)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"), a contract for purchase must remain valid for the entire period the Development is under consideration for tax credits. Our review indicates that there was a lapse in site control from April 20, 2009 until May 26, 2009.

Pursuant to §49.9(h)(7)(A) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. Included with this letter is an election form requesting an appeal to the Board should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on June 24, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Wednesday, June 24, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09112

Appeal Documents

MACDONALD COMPANIES
MULTI-FAMILY DEVELOPMENT • CONSTRUCTION • MANAGEMENT

June 24, 2009

Michael Gerber
Executive Director
TDHCA
221 E. 11th
Austin, Texas 78711

RE: Point Royale Apartments #09112

Dear Mr. Gerber:

We are in receipt of notice that the Department is terminating our application on the above-reference project, and respectfully appeal to you and/or the Board to reconsider this action.

It is staff's contention that we did not maintain site control throughout the application period, specifically between the dates of April 20, 2009 and May 26, 2009. We disagree with that assessment.

Our purchase contract with Stockbauer Commercial (Seller) was extended until August 2, 2009, on April 20, 2009, via an extension request that was signed by both parties. Such extensions were to be automatic so long as we paid the proper fee to the Seller.

Additionally, the Seller paid extension fees to the current owner of the property as they were received from us, and enjoyed the same automatic extension provisions in their contract. However, the current owner lives abroad, and communication with him is sporadic. Because of this, he did not sign the extension until several days after the previous contract had expired, but since those extensions were automatic and the fees were paid, they should still be treated as an option to purchase, and therefore would be classified as valid site control under the QAP.

I am attaching a copy of the contract extensions between us and the Seller, the contract between the Seller and the current owner, and a letter from the Seller and current Owner explaining the situation. All of this information has previously been provided to staff, but I provide it here for your convenience.

Finally, we believe that while staff's interpretation of the events would disqualify the application under the exact wording of the QAP, it does not truly follow the spirit of the QAP. We had site control at the time of the application, we have it now, and we will have it through the end of the application period.

Thank you in advance for your consideration.

Sincerely,

T. Justin MacDonald
Manager of General Partner
Victoria Point Royale Apartments, L.P.

2951 Fall Creek Road • Kerrville, Texas 78028 • (830) 257-5323 • Fax (830) 257-3168

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THE STATE OF TEXAS
COUNTY OF DALLAS

KNOW ALL MEN BY THESE PRESENTS that:

Investicor, Inc., a Texas Corporation

(hereinafter called "Seller," whether one or more) hereby sells and agrees to convey to

Stockbauer ~~Investments~~ Commercial, LLC

(hereinafter called "Purchaser," whether one or more) and Purchaser hereby buys and agrees to pay for the following described real estate situated in ~~Dallas~~ Victoria County, Texas, to-wit:

A tract of land containing 14.24 acres, more or less, situated in the SA and MG Railroad survey, Abstract No. 324 in Victoria County, Texas, more particularly shown on Exhibit "B" attached hereto and incorporated herein by reference for all purposes.

together with, all and singular, all improvements thereon and all rights and appurtenances pertaining thereto, including any right, title and interest of Seller in and to adjacent streets, alleys, or right-of-way, such real estate, improvements, rights and appurtenances being herein referred to as the "Property." This Contract and the Property also covers and includes all fixtures and articles of personal property attached to said real estate and owned by Seller, such as air conditioning and heating equipment.

This Contract is executed upon the following terms and conditions:

1. Purchase Price. The purchase price for the Property is $ 500,000.00 payable as follows:

a. $ all in cash.

b.

Any note or notes to be executed by Purchaser hereunder shall be secured by vendor's lien and by deed of trust with power of sale and containing such covenants as to taxes, insurance, default and other matters as Seller may reasonably require.

2. Earnest Money. ~~Upon~~ on or before seven (7) days after full and final execution of this Contract, Purchaser shall deliver the sum of $ 5,000.00 to Republic Title Company, Dallas, Texas ("Title Company") to be held by the Title Company as Earnest Money (herein so called) pursuant to the terms of this Contract. In the event Purchaser does not timely deposit the Earnest Money with the Title Company, this contract shall automatically terminate.

3. **Survey and Title Binder.**

A. Within thirty (30) days after the date of this Contract, Seller shall, at Seller's expense, deliver or cause to be delivered to Purchaser a copy of a current on-the-ground survey ("Survey") of the Property made by a duly licensed surveyor reasonably acceptable to the Purchaser. The Survey shall be in a form acceptable to the Title Company in order to allow the Title Company to delete the survey exception (except as to "shortages in area") from the Title Policy to be issued by the Title Company. The Survey shall show the location of all improvements on the Property, if any. ~~If this Contract does not close through no fault of Seller, in addition to the other rights of Seller hereunder, Purchaser shall pay for the Survey.~~

B. Within thirty (30) days after the date of this Contract, Seller shall, at Seller's expense, deliver or cause to be delivered to Purchaser:

(1) A title commitment ("Title Binder") covering the Property binding the Title Company to issue a Texas Owner's Policy of Title Insurance on the standard form of policy prescribed by the Texas State Board of Insurance at the Closing in the full amount of the purchase price, and

(2) True, correct, and legible copies of any and all instruments referred to in the Title Binder as constituting exceptions or restrictions upon the title of Seller, except that copies of any liens which are to be released at the closing may be omitted.

4. **Approval Period and Title.**

A. Purchaser shall have thirty (30) days after the receipt of the Survey and Title Binder to review them and to deliver in writing to Seller such objections as Purchaser may have to anything contained in them. Any such item to which Purchaser shall not object shall be deemed a "Permitted Exception." If there are objections by Purchaser, Seller shall in good faith attempt to satisfy them prior to closing, but Seller shall not be required to incur any cost do to so. If Seller delivers written notice to Purchaser on or before the closing date that Seller is unable to satisfy such objections, or if, for any reason, Seller is unable to convey title in accordance with Section 7(B) below, Purchaser may either waive such objections and accept such title as Seller is able to convey or terminate this Contract by written notice to Seller. Zoning ordinances and the lien for current taxes shall be deemed to be Permitted Exceptions.

B. Seller represents and warrants to Purchaser that at the closing Seller will have and will convey to Purchaser good and marketable title to the Property free and clear of any and all encumbrances except the Permitted Exceptions. Delivery of the Title Policy pursuant to Section 7 below shall be deemed to fulfill all duties of Seller as to the sufficiency of title required hereunder; provided however, Seller shall not thereby be released from the warranties of Seller's Deed.

5. ~~**Inspection.** Purchaser acknowledges that Purchaser has inspected all buildings and improvements situated on the Property and is thoroughly familiar with their condition, and Purchaser hereby accepts the Property and the buildings and improvements situated thereon, in their present condition, with such changes therein as may hereafter be caused by reasonable deterioration.~~

6. ~~**Casualty Loss.** All risk of loss to the Property shall remain upon Seller prior to the closing. If, prior to the closing, the Property shall be damaged or~~ destroyed by fire or other casualty, to a material extent, Purchaser may either terminate this Contract by written notice to Seller or close. If Purchaser elects to close, despite said material damage or destruction, there shall be no reduction in the purchase price, and Seller shall assign to Purchaser Seller's right, title and interest in and to all insurance proceeds resulting or to result form said damage or destruction. Unless otherwise provided herein, the term "material" shall mean damage or destruction, the cost of repairing which exceeds ten (10%) percent of the purchase price. In the event of less than material damage or destruction to the Property prior to the closing, Seller shall either repair the same prior to the closing, at Seller's expense, or reimburse Purchaser for the cost of repairing the same by assigning any insurance proceeds resulting therefrom to Purchaser and/or by allowing Purchaser to deduct such cost from the cash payable to Seller at the closing. If the extent of damage or the amount of insurance proceeds to be made available is not able to be determined prior to the closing date specified in Section 7 below, or the repairs are not able to be completed prior to said date, either party, by written notice to the other, may postpone the date of the closing to such date as shall be designated in such notice, but not more than thirty (30) days after the closing date specified in Section 7 below.

7. **Closing.** (the "Closing Date")

A. The closing of this Contract shall be held on ninety days from the Contract Date at the offices of the Title Company at its address stated below; provided, however, that if on such date the Title Company has not yet approved title or if there are objections made by Purchaser which have not yet been cured by Seller, either party, by written notice to the other, may postpone the date of the closing to such date as shall be designated in such notice but not more that thirty (30) days after the closing date above specified.

B. At the closing, Seller shall deliver to Purchaser: (i) a General Warranty Deed (with Vendor's Lien retained if not a cash purchase) conveying the Property according to the legal description prepared by the surveyor as shown on the Survey of the Property, subject only to the Permitted Exceptions; (ii) a Title Policy issued by the underwriter for the Title Company pursuant to the Title Binder with the survey exception deleted (except as to shortages in area) subject only to the Permitted Exceptions; and (iii) possession of the Property.

C. At the closing, Purchaser shall deliver to Seller (i) the cash portion of the purchase price (the Earnest Money being applied thereto) and (ii) the Note and the Deed of Trust, if any.

D. Each party hereto shall pay his share of the closing costs which are normally assessed by the Title Company against a seller or purchaser in a transaction of this character in the county where the Property is located.

E. Rents and lease commissions, interest, and ad valorem taxes for the then current year shall be prorated at the closing effective as of the date of closing. Purchaser agrees to execute and deliver to Seller in duplicate an Assumption Agreement recordable form agreeing to pay all commissions payable under any lease of the Property. Any security deposits held by Seller shall be delivered to Purchaser. If the closing shall occur before the tax rate is fixed for the then current year, the apportionment of the taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation but any difference in actual and estimated ad valorem taxes for the year of sale actually paid by Purchaser shall be adjusted between the parties upon receipt of written evidence of the payment thereof. All taxes imposed because of a change of use of the Property after the closing shall be for the account of Purchaser.

F. If Purchaser is to assume an existing loan, Purchaser shall pay any transfer fee, and a sum equal to the amount of any reserve accounts held by the mortgagee for the payment of taxes and/or insurance shall be paid to Seller by Purchaser. Purchaser shall execute, at the option and expense of Seller, a Deed of Trust to Secure Assumption with a Trustee named by Seller.

G. If the Property is situated within a utility district subject to the provisions of Section 50.301, Texas Water Code, then at or prior to the closing, Seller agrees to give Purchaser the written notice required by said Section and Purchaser agrees to sign and acknowledge the notice to evidence receipt thereof.

8. **Termination.** If this Contract is terminated by Purchaser in accordance with Section 4 or 6 above, the Earnest Money shall be promptly refunded to Purchaser, and the parties shall have no further obligation or liabilities one to the other.

9. **Default.** ~~If Seller shall fail to consummate this Contract for any reason, except Purchaser's default, Purchaser may enforce specific performance of this Contract or may bring suit for damages against Seller.~~ If Purchaser shall fail to consummate this Contract for any reason, except Seller's default or the termination of this Contract pursuant to a right to terminate given herein, Seller shall have the right to have the Earnest Money paid to Seller as liquidated damages for the breach of this Contract, ~~or Seller may bring suit for damages against Purchaser or enforce specific performance of this Contract.~~

As Purchaser's sole remedy and relief

10. **Commission.**

as Seller's sole remedy and relief.

A. ~~Seller agrees to pay the Real Estate Agent first named below (referred to herein as the "Principal Agent") for negotiating this contract a~~ commission in cash equal to the following percent of the total purchase price of the Property computed as follows:

The Principal Agent's right to such commission shall irrevocably vest upon the execution of this Contract, notwithstanding any subsequent termination or variation of this Contract or any default by Seller or Purchaser, except that no commission shall be payable in the event that the Contract shall be terminated under Section 4 or 6 above, and except that if this Contract is not consummated by reason of Purchaser's default and Seller does not elect to enforce specific performance, the commission shall not exceed one-half of the Earnest Money. Said commission shall be paid by Seller to the Principal Agent in Dallas County, Texas, at the closing or in the event of default by Seller or Purchaser, within ten days after the scheduled closing date. The Principal Agent shall be entitled to apply any escrow deposit, to the extent necessary, toward payment of the commission payable to the Principal Agent hereunder, and the Title Company or other escrow agent is hereby authorized and directed to pay to the Principal Agent out of the Earnest Money or any escrow deposit made pursuant to this Contract a sum equal to the commission payable to the Principal Agent hereunder. The Principal Agent may divide any commission payable hereunder with other licensed real estate brokers or salesmen, including any cooperating Agent named below but, notwithstanding any such agreement for division of commissions, Seller shall be fully protected in paying all commissions payable hereunder solely to the Principal Agent.

B. At the time of the execution of this Contract, the undersigned Principal Agent has advised and hereby advises Purchaser, by this writing, that Purchaser should have the abstract covering the real estate which is the subject to this Contract examined by an attorney of Purchaser's own selection or that Purchaser should be furnished with or obtain a policy of title insurance; and Purchaser hereby acknowledges that Purchaser has been so advised.

11. Miscellaneous Provisions.

A. Date of Contract. The term "date of this Contract" as used herein shall mean the later of the two dates on which this Contract is signed by Seller or Purchaser, as indicated by their signatures below, which later date shall be the date of final execution and agreement by the parties hereto. or "Contract Date"

B. Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail, addressed to the intended recipient at the address on the signature page of this Contract. Any address for notice may be changed by written notice so given.

C. Forms. In case of a dispute as to the form of any document required hereunder, the current form prepared by the State Bar of Texas shall be conclusively deemed reasonable.

D. ~~Attorneys' Fees. If either party shall be required to employ an attorney to enforce or defend the rights of such party hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees.~~

E. Integration. This Contract contains the complete agreement between the parties and cannot be varied except by the written agreement of the parties. The parties agree that there are no oral agreements, understanding, representations or warranties which are not expressly set forth herein.

F. Survival. Any portion of this Contract not otherwise consummated at the Closing will survive the closing of this transaction as a continuing agreement by and between the parties.

G. Binding Effect. This Contract shall inure to the benefit of and bind the parties hereto and their respective heirs, representatives, successors and assigns.

12. Contract as Offer. The execution of this Contract by the first party to do so constitutes an offer to purchase or sell the Property. Unless within ten (10) days from the date of execution of this Contract by the first party, this Contract is accepted by the other party and a fully executed copy is delivered to the first party, the offer of this Contract shall be automatically revoked and terminated, and the earnest money, if any, shall be returned to Purchaser.

13. Other Provisions.

Paragraphs 14 through 20 are attached hereto as Exhibit "A" and incorporated herein by reference for all purposes.

EXECUTED on the dates stated below.

AGENTS

None
Principal Agent, Member of the Greater Dallas Board of REALTORS®

By: _____

None
Cooperating Agent

By: _____

SELLER

INVESTICOR, INC.

By: _____

Title

Address

Date of Execution

PURCHASER:

COMMERCIAL
STOCKBAUER ~~INVESTMENTS~~, LLC

By: _____

Title

Address

Date of Execution

EXHIBIT "A"

14. In consideration of $100.00 paid by Purchaser to Seller, the receipt and sufficiency of which is hereby acknowledged, Purchaser may terminate this Contract on or before the Closing Date, by giving Seller and the Title Company written notice that Purchaser has terminated the Contract. Upon receipt of said written notice the Title Company is authorized and directed by Seller to immediately deliver the Earnest Money to Purchaser without the execution of any further release of Contract or other agreement. Seller hereby indemnifies and holds the Title Company harmless from any liability, loss, cost or expense created by the delivery of the Earnest Money by the Title Company to Purchaser, and Seller hereby releases the Title Company from any liability for the delivery of the Earnest Money to Purchaser.

15. In consideration of $100.00 paid by Purchaser to Seller, Purchaser, at Purchaser's expense, through its authorized agents, personnel, employees and independent contractors, shall be entitled to enter upon the Property in order to make such inspections as Purchaser may deem necessary. Purchaser shall give Seller three (3) business days' written notice of Purchase's intention to conduct inspections of the Property. Purchaser agrees to indemnify Seller from and hold Seller harmless from any and all claims, demands, liabilities, damages and cost, including attorneys' fees arising out of or resulting from any activity of Purchaser pursuant to this Section. Before entering upon the Property or conducting any inspections, Purchaser shall confirm in writing to Seller that all of Purchaser's authorized agents, personnel, employees and independent contractors have adequate general liability insurance covering the tasks being performed by such agents, personnel, employees and independent contractors. Copies of all inspection reports shall be provided by Purchaser to Seller within three (3) business days of Purchaser's receipt of such reports.

Purchaser shall have a ninety (90) day period commencing the day this Contract is signed (the "Review Period") to review the Property and to determine whether or not the Property is suitable for Purchaser's needs (taking into consideration such matters as soil conditions, engineering characteristics, utilities, access, title, zoning, leasing prospects, financing prospects, and Purchaser's determination of whether or not its use of the Property will likely be successful). In the event that Purchaser, in its sole and absolute discretion, determines that the Property is not suitable for its needs, Purchaser may terminate this Contract by delivering a written termination notice to Seller (which notice need not specify the matters which cause the Property to be unsuitable) within the Review Period. Upon delivery of such written notice by Purchaser this Contract will terminate. Upon receipt of said written notice the Title Company is authorized and directed by Seller to immediately deliver the Earnest Money to Purchaser without the execution of any further release of Contract or other agreement. Seller hereby indemnifies and holds the Title Company harmless from any liability, loss, cost or expense created by the delivery of the Earnest Money by the Title Company to Purchaser, and Seller hereby releases the Title Company from any liability for the delivery of the Earnest Money to Purchaser. If the termination notice has not been delivered within the Review Period, then this Contract will continue in full force and effect and all of Purchase's Earnest Money now or hereafter placed with the Title Company is fully at risk in the event Purchaser does not close this transaction.

16. Purchaser, at Purchaser's option, may extend the Closing Date for an additional three (3) months by escrowing an additional $5,000.00, as Earnest Money with the Title Company on or before three (3) days prior to the Closing Date. Purchaser, at Purchaser's option, may extend the Closing Date for a second three (3) month period by escrowing an additional $5,000.00, as Earnest Money with the Title Company on or before three (3) days prior to the Closing Date, as extended. In the event Purchaser extends the Closing Date, the Earnest Money is fully at risk. In the event Purchaser extends the Closing Date, the Purchaser may terminate this Contract in accordance with paragraph 14 or paragraph 15, however, the Earnest Money is fully at risk. The Earnest Money shall be applied to the purchase price of the Property if Purchaser closes this Contract.

17. It is understood and agreed that Purchaser is simultaneously going to sell the Property to a third party for a higher sales price, and Seller agrees that Purchaser may take a credit for the cost of the Owner's Title Policy in the amount of $3,425.85 and apply said credit to the Owner's Title Policy being issued to the third party.

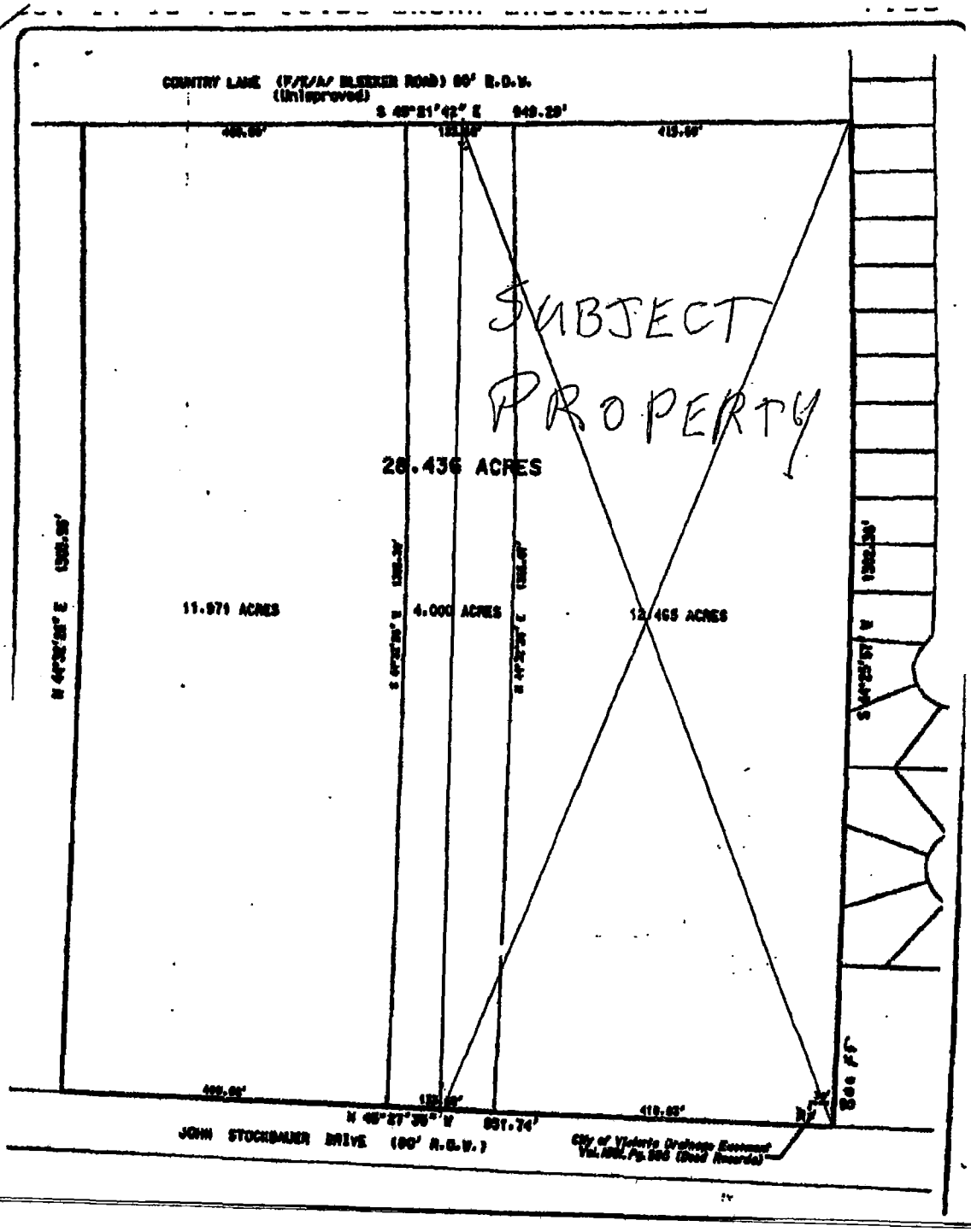
18. Notwithstanding anything to the contrary contained in Section 3(A) of this Contract, within ten (10) business days after the signing of this Contract, Seller shall deliver to Purchaser a copy of Seller's survey ("Survey") of the Property. Purchaser may, at its option, update the Survey and Seller agrees at closing to reimburse Purchaser an amount equal to $300.00 towards the cost of the updated Survey. In the event for any reason this transaction fails to close Seller's payment obligations hereunder shall become null and void.

19. Notwithstanding anything to the contrary contained in Section 4(A) of this Contract, Seller shall not be required to spend more than $1,500 in remedying any defect noted on the Survey or Title Binder by Purchaser. If more than $1,500 is necessary to remedy a problem, Purchaser, at Purchaser's option, may either waive the problem, pay the difference, or terminate the Contract.

20. The following paragraph is added to Section 7(B) of this Contract.

The Special Warranty Deed shall contain the following language therein; "Grantor and Grantee expressly agree that the above-described Property is being sold by Grantor and purchased by Grantee on an "AS IS" basis only. Grantee has determined that the Property and any related personal property to be conveyed, if any, therewith is acceptable to them. Grantee represents that they have conducted a careful investigation of the Property, that they have determined for themselves that the Property is acceptable without relying on any warranties or representations of Grantor, and that the Property is acceptable. Subject to the foregoing, Grantor specifically disclaims any and all warranties and representations, express or implied, as to the state of the Property, any personal property to be conveyed therewith, its condition, quality, quantity, character, size, description or suitability or fitness for any use or purpose, whether existing or contemplated, except as specifically set forth in this document. GRANTOR CONVEYS THE PROPERTY AND GRANTEE ACCEPTS THE PROPERTY WITH ALL FAULTS OF ANY KIND, INCLUDING ENVIRONMENTAL (WHETHER ABOVE, WITHIN OR UNDER THE PROPERTY), AND GRANTOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO THE FITNESS, ENVIRONMENTAL COMPLIANCE, MERCHANTABILITY OR HABITABILITY OF THE PROPERTY OR OTHERWISE (EXCEPT THE WARRANTY OF TITLE IN THIS SPECIAL WARRANTY DEED)."

Exhibit B


COUNTRY LANE (F/K/A/ BLEEKER Road) 80' R.O.W.
(Unimproved)
S 48°21'42" E 949.29'
SUBJECT PROPERTY
28.436 ACRES
11.971 ACRES
4.000 ACRES
12.465 ACRES
JOHN STOCKBAUER DRIVE (80' R.O.W.)
City of Victoria Drainage Easement

EXTENSION TO CONTRACT

SELLER: STOCKBAUER COMMERCIAL, LLC

PURCHASER: MACDONALD COMPANIES

CONTRACT: Contract of Sale dated August 5, 2008

PROPERTY: 14.20 Acres, Victoria County, Texas
GF #08R24997 WR0

DATE: April 20, 2009

By this notice, PURCHASER, MacDonald Companies, request to extend the Contract Closing Date to ~~July 30, 2009~~ August 31, by escrowing an additional $5000 per Exhibit A, Paragraph 16 of the Contract. A check has been sent to REPUBLIC TITLE OF TEXAS, INC, 2626 HOWELL STREET, 10TH FLOOR, DALLAS, TX 75204. (See attached check copy)

PURCHASER:
MacDonald Companies

By: G. Granger MacDonald, President

ACCEPTED:
SELLER:
Stockbauer Commercial, LLC

By: Chris Smith, member

EXTENSION TO CONTRACT

SELLER: STOCKBAUER COMMERCIAL, LLC

PURCHASER: MACDONALD COMPANIES

CONTRACT: Contract of Sale dated August 5, 2008

PROPERTY: 14.20 Acres, Victoria County, Texas

DATE: January 22, 2009

By this notice, PURCHASER, MacDonald Companies, requests to extend the Contract Closing Date to April 30, 2009, by escrowing an additional $5000 as per Exhibit A, Paragraph 16 of the Contract. A check has been sent to REPUBLIC TITLE OF TEXAS, INC, 2626 HOWELL STREET, 10TH FLOOR, DALLAS, TX 75204. (See attached check copy)

BUYER:
MacDonald Companies

By: G. Granger MacDonald, President

ACCEPTED:
SELLER:
Stockbauer Commercial, LLC

By: Chris Smith, member

To Whom it may Concern

My memory of the time when the gap occurred is very much the same as Mr. Smith's. It is sometimes difficult for communications with me here in England and a period of time passed by before we got the agreement done in writing. We did not think anything of this as we were all agreed that when working with HUD nothing happens quickly. All of us, myself, Mr.Smith and Mr. MacDonald were on the same page in these extensions and we have made that perfectly clear in extending the agreement before the gap happened and after, through August of this year.

Please don't penalize Mr.MacDonald for a small oversight in actually having the paper signed.

Regards to you.

Munir Asfar

Investicor, Inc.

STOCKBAUER COMMERCIAL, LLC

MacDonald Companies
Attension: Lucille Jones

Dear Ms. Jones

Regarding the apparent gap of one of the extension documents that you brought to my attention, my best recollection of that situation is that the property owner, Mr.Munir Asfar,lives in England and communication with him is spotty at best as he travels extensively in Europe. Mr. Asfar and I had discussed the extension and agreed to the end of April but in the period of time it took to commit that agreement to writing the time had passed to the point that it made more sense to us to date it as the end of May.

This transaction was of no real consequense to any of the three parties involved, MaCDonald Companies, Investicor or Stockbauer Commercial as we had all agreed to the series of extensions that would be necessary to accomodate the slow movement of HUD. As you know, we have currently extended the contract to the end of August, 2009 which I believe shows the intent and agreement of all parties concerned to make these accomodations.

I have tried to contact Mr. Asfar and his nephew, Mr. Said but have not been successful which is not an unusual situation.

If there is anything further I can do to clarify this account I will be glad to do that. I know you are operating on a deadline with TDHCA but I will continue to try to contact both Mr. Asfar and Mr. Said and contact you when I do.

Best Regards,

6/5/09

Chris Smith
Stockbauer Commercial, LLC

T. Justin MacDonald

From: Chris Smith [cgwsmithwl@hotmail.com]
Sent: Thursday, June 04, 2009 5:02 PM
To: liz.cline@tdhca.state.tx.us; T. Justin MacDonald
Cc: Leslie Clark; Lucille Jones; Linda Williams
Subject: RE: Contract Extension

Liz, if necessary, the verbal agreement to the extension can certainly be verified. I will be glad to arrange a conversation with the property owner, Mr. Asfar, and you. I am certain he will tell you the same thing I sent you in my email. Let me know if you would like me to do that.

Regards,
Chris Smith

From: liz.cline@tdhca.state.tx.us
To: cgwsmithwl@hotmail.com; liz.cline@tdhca.state.tx.us; tjmacdonald@macdonald-companies.com
CC: lclark@macdonald-companies.com; ljones@macdonald-companies.com; lwilliams@republictitle.com
Subject: RE: Contract Extension
Date: Thu, 4 Jun 2009 16:42:21 -0500

Thank you for your response. There appears to have been a lapse in site control between April and May 2009 since the verbal agreement to the extension can not be verified. The Department will review the issue further and make a determination based on the information provided. I will update you via email once I am aware of the determination.

Best regards,

Liz Cline
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
Phone Number: (512) 475-3227
Fax Number: (512) 475-1895
Email Address: Liz.Cline@tdhca.state.tx.us

-----Original Message-----
From: Chris Smith [mailto:cgwsmithwl@hotmail.com]
Sent: Thursday, June 04, 2009 4:28 PM
To: liz.cline@tdhca.state.tx.us
Cc: Leslie Clark; Lucille Jones; Linda Williams
Subject: RE: Contract Extension

Liz,

the best reconstruction of the situation with the lapse in April is that the seller, Munir Asfar of Investicor, had verbally agreed to the extension and in the interim between that and recieving the signed documentation from him or his nephew, Saad, in Houston, all agreed to the May extension. It is not unusual for weeks to pass without word from Mr. Asfar. He lives in England and travels in Europe frequently. It is foggy in the memory of all concerned but the intent to extend the contract in each instance is clear as exemplified by the number of extensions and the latest extension to the end of August, 2009.

Chris Smith

From: liz.cline@tdhca.state.tx.us
To: cgwsmithwl@hotmail.com
CC: lclark@macdonald-companies.com; ljones@macdonald-companies.com
Subject: RE: Contract Extension
Date: Thu, 4 Jun 2009 16:05:55 -0500

It appears that there was a lapse in site control from April 2009 (the second extended closing date) to May 2009 (the extension to the contract). Please provide an explanation.

Best regards,

Liz Cline
Multifamily Housing Specialist
Texas Department of Housing and Community Affairs
Phone Number: (512) 475-3227
Fax Number: (512) 475-1895
Email Address: Liz.Cline@tdhca.state.tx.us

-----Original Message-----
From: Chris Smith [mailto:cgwsmithwl@hotmail.com]
Sent: Thursday, June 04, 2009 3:57 PM
To: liz.cline@tdhca.state.tx.us
Subject: Contract Extension

Liz, this is the extension of the contract through August 09 by Investicor to Stockbauer.

Insert movie times and more without leaving Hotmail(r). See how.

Windows Live(tm) SkyDrive(tm): Get 25 GB of free online storage. Get it on your BlackBerry or iPhone.

Hotmail® has ever-growing storage! Don't worry about storage limits. Check it out.

09112

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

July 3, 2009

Mr. T. Justin MacDonald
Victoria Point Royale Apartments, LP
2951 Fall Creek Rd.
Kerrville, Texas 78028

Re: Application #09112, Point Royale Apartments

Dear Mr. MacDonald:

Appeal Review

I have carefully reviewed the appeal received on June 24, 2009, regarding your request for the termination of your Application be reconsidered and the Application be reinstated in the 2009 Competitive Housing Tax Credit cycle. The Application was terminated pursuant to §49.9(h)(7)(A) of the 2009 Qualified Allocation Plan and Rules (QAP). This section of the QAP requires an Applicant to maintain control of the development site the entire period the development is under consideration.

The information provided in your Application and in your appeal indicates that there are two contracts involved with this development. The first is between the actual Owner of the property, Investicor, Inc., and Stockbauer Commercial, LLC. The second contract is between Stockbauer Commercial, LLC and the Applicant. The contract between Stockbauer Commercial, LLC and the Applicant has remained valid through timely executed amendments. However, the contract between Stockbauer Commercial, LLC and Investicor, Inc. has a lapsed period between April 20, 2009 and May 26, 2009.

In accordance with §49.9(h)(7)(A) of the QAP, the Application does not meet the threshold requirement of readiness to proceed due to the lapse in the control of the site by the Applicant.

Appeal Determination
Your appeal is denied.

Per your request, your appeal to the Board will be placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

If you have any questions regarding this appeal, you may contact Sharon Gamble at (512) 475-4610.

Sincerely,

Michael Gerber
Executive Director

MFF/sg

09112

Board Appeal Documents

MULTIFAMILY FINANCE PRODUCTION DIVISION

BOARD ACTION REQUEST

July 16, 2009

Action Item

Presentation, Discussion and Possible Action for 2009 Competitive Housing Tax Credit (HTC) Appeals

Requested Action

Approve, Deny or Approve with Amendments a determination on the appeal of termination for Malibu Apartments.

Background and Recommendations

Malibu Apartments - 09159

On February 27, 2009, an Application was submitted for the above-referenced development. The Application was terminated as a result of a challenge made to the Application. During the course of the review, the Department identified that the Applicant incorrectly certified on the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located. Furthermore, the Applicant did not submit the required neighborhood organization information to the Department in accordance with §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"):

> The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, **or that the Applicant has knowledge of** as of Pre-Application or Application Submission.

By the Applicant's own admission, they had knowledge of neighborhood organizations and did not list them in the Pre-Application or Application. The Application was terminated because the Applicant incorrectly certified on the Certification of Notifications form and did not submit the required neighborhood organization information to the Department in accordance with §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 QAP.

Relevant documentation related to this appeal is provided behind the Board Action Request.

Applicant:	TMG - TX Austin 1, LP, a to-be-formed Texas limited partnership
Site Location:	8600 North Lamar Blvd
City/County:	Austin/Travis

Regional Allocation Category:	Urban
Population Served:	General
Region:	7
Set Aside:	None
Type of Development:	Acquisition/Rehabilitation
Units:	476
Credits Requested:	$2,417,862

Staff Recommendation: The Executive Director denied the original appeal. Staff is recommending that the Board also deny the appeal.

09159

Malibu Apartments

09159

Termination Letter

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 12, 2009

Mr. Joe McLaughlin
TMG - TX Austin 1, LP
141-07 Twentieth Ave., Ste. 507
Whitestone, New York 11357

Re: Application #09159, Malibu Apartments

Dear Mr. McLaughlin;

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. As a result of a challenge to the Application, the Department identified that the Applicant indicated on the Certification of Notifications form that the Applicant requested information regarding neighborhood organizations whose boundaries may include the Development site and received no response from the local elected officials. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue. Further, the Applicant indicated on the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue as well. Per §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"),

> The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.

The Applicant did not meet this requirement of the QAP. Pursuant to §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on Friday, June 19, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☐ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	
Development Address:	
Signer's Name	
Signer's Title:	
Date:	

Signed: _____

09159

Appeal Documents

Sharon Gamble

From: Sarah Anderson [sarah@sarahandersonconsulting.com]
Sent: Friday, June 19, 2009 2:53 PM
To: 'Robbye Meyer'; 'Sharon Gamble'
Subject: Malibu termination appeal letter

Robbye/Sharon,

Attached is the Excecutive Director appeal letter for the termination of TDHCA application #09159 (The Malibu Apartments). In the event that Mr. Gerber does not approve the appeal, we would like this information, in addition to documentation provided in response to the original challenge, be submitted/made available to the Board of Directors for the June 25th meeting.

To document that this was filed in a timely manner, please confirm receipt of this email. Thanks!

TMG

The Mulholland Group, LLC

June 19, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Development
221 East 11th P.O. Box 13941
Austin, Texas 78711-3941

Re: Application #09159, Malibu Apartments

Dear Mr. Gerber;

We are in receipt of Robbye Meyer's letter dated June 12, 2009 (**Exhibit A**) terminating the above referenced application. We strongly disagree with both of her findings with regard to the challenge to our application. We shall provide additional new evidence to support our first response to Mr. Moreau's challenge and clearly show that we had a legal obligation, based upon the unequivocal language of the Qualified Allocation Plan (QAP) with regard to our knowledge of Neighborhood Organizations registered with the County and State, to complete our application as we did. Secondly, we have confirmed that no letter was ever sent to us by any elected official of the City of Austin. Upon review of the information below we believe we should be reinstated to the number one ranked application in our region.

Ms. Meyer's letter makes two claims:

1- "…. That the applicant requested information regarding neighborhood organizations whose boundaries may include the Development site and received no response from the local elected officials. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue." And

2- "…the Applicant indicated in the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located."

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Our Response to the first claim

Although not required in the pre application stage we not only sent our request to the Mayor (see attached **Exhibit D**) but to all of the City Council persons. As informed by Ms. Woltenberg, of the City Manager's office, only one Customer Assistance Form (CAF) request can be logged into the system for any one given issue and that the same letter sent to multiple elected officials gets consolidated into one CAF. Attached as **Exhibit E** is a transcript from the City of Austin City Manager's office which clearly shows on page four that **"no CAF response to citizen"** was generated. Further examination of the correspondence log shows that Councilman Martinez only received our letter on December 15, 2008 (**see Exhibit D**). It would be impossible for Ms. Noak to have responded on December 8, 2008, the same day the letter was mailed from Whitestone, New York, if it was only first logged in on the 15th and then subsequently logged into the Automated Customer Assistance Program (ACAP-see note below for definition) system on December 19, 2008. We contend our challenger; Mr. Moreau, was aware of this fact and intentionally withheld that information to mislead TDHCA. Below is an explanation for the correspondence from Ms. Noak so that you and the Board have a clear picture of what occurred.

We have been working with the City of Austin since June, 2008 to the present, on three potential transactions in the City. Upon securing site control on two properties, the Malibu Apartments and Woodland Apartments, we contacted the City (Kelly Hunt and Gary Adrian) to inquire about additional funding for our potential acquisitions. We also inquired with regard to local organizations that could assist us in providing the extensive social services that we provide at our sites. Ms. Hunt directed us to Ms. Noak and we contacted her directly, which led to her email of the 8th of December. Our communication to Ms. Noak prior to the submitting the application had nothing to do with our TDHCA Neighborhood Request Form letter or even our tax credit application in general; but rather everything to do with our request for GO Bond funding from the City. Further, Ms. Noak responded via email rather than with a formal letter as required and requested in our Neighborhood Request letter. Additionally, as exhibits A & B clearly show no email addresses for any employee of The Mulholland Group (TMG) were provided. Ms. Noak only could have obtained such information via direct verbal communication with TMG weeks earlier.

We contend that an honest error occurred on the part of the Austin City elected officials. Rather than responding to our letter directly, as required by the ACAP system or instructing Ms. Noak to do so on their behalf, they mistakenly assumed that the previous communication would suffice. From our perspective not having any knowledge of these internal communications and not having received a letter from ANY of the local elected officials, we were required by Section 49.8(d) (3) (A) (ii) of the Qualified Allocation Plan (QAP) to:

(ii) if no reply **letter** (emphasis added) is received from the local elected officials by January 1, 2009, than the **Applicant must certify to that fact** in the "Pre Application Notification Certification Form" provided in the application (see **Exhibit B**).

It is our contention that we complied fully with the QAP with regard to answering this question. In fact it was the only answer we could have honestly and factually given because as you can see no letter or "response" was ever provided to us by any elected official from the City of Austin in response to our Neighborhood Request letter. Throughout this process from -TDHCA Tax Credit workshop, from our seasoned and highly respected consultants and other knowledgeable housing professionals- we have been instructed to follow a strict reading of the QAP. It is clear from the attached information from ACAP that is exactly what we did in our certification in the pre application and our final application submittal.

Our Response to the second claim

Ms. Meyers' second claim:

"...the Applicant indicated in the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located."

Ms. Meyers' statement is inaccurate as she later qualifies when she quotes from the QAP;

"**49.8(d)(3)(A)** (iii) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application"

Additionally, the Certification of Notifications at Pre-Application (Part III) form contained in the application directs applicants to answer questions pursuant to Section **49.8(d)(3)** as well as the Neighborhood Organization Request template form letter which further clarifies the QAP by stating;

"Pursuant to the Department rules this letter serves as a request for a list from your records of any **Neighborhood Organizations which are on record with the County or State** and whose boundaries include the following area..."

Later in the same template letter it states the following: "...we are required to use any list you provide to **identify all Neighborhood Organizations on record with the State or County** whose boundaries include the proposed development site."

Our purpose in citing the numerous references contained in the various documents throughout the TDHCA application and QAP is to demonstrate that the standard definition of Neighborhood Organizations established in the QAP is Neighborhood Organizations registered and on record with the County and State. The requirement is to identify and contact those Neighborhood Organizations, if they exist, and to respond in the affirmative in the notifications section. As there were no Neighborhood Organizations

listed as registered with the County or State our answer is legally correct and accurate, and again; it was the only answer we could have honestly and factually given.

Our Challenger references Organizations that are not registered with the County and State. This fact is affirmed by the President of the North Austin Civic Association (NACA) (**see Exhibit F**) which confirms they are not on the County or State register. The other organization referenced by Mr. Moreau is the Austin Northwest Association which also doesn't appear on the State or County registry. Our consultants and my staff did numerous searches to determine what groups we were required to notify and found none.

We believe our response to be the legal and most accurate one when taken in the larger context of the QAP, specifically Section 49.8(d) (3) (A) and Section 49.9(h) (8) (A) **(see Exhibit C)** of the 2009 QAP and rules.

Conclusion

According to the Official City Record, no response was given to the letters we sent to the Mayor or any other elected officials. The attempt to mislead TDHCA by citing other prior communications with City staff members on a non-related matter should not be allowed to stand. We were not privy to the internal discussions and had to rely upon the facts as we knew them, which is that no letter was sent in response to our request.

Second, by any legal or reasonable reading of the notification section cited for our termination the standard set by the QAP is those groups, "on record with the county or state whose boundaries include the proposed Development Site…". At the time of the pre-application and application there were no groups on the county and state register.

Our Challenger, Mr. Moreau, who has extensive experience with TDHCA application process clearly knew the standard and for his own personal agenda attempted to mislead the TDHCA. As a former State Housing official and a current member of the Board of the New York State Housing Finance Agency, I am acutely aware of the necessity to follow strictly the directions for funding given the limited resources of the current market place. We were counseled at the TDHCA workshop, by our consultants and throughout the application process that we could and must rely upon the QAP in the strictest of manners. The QAP is the instrument that keeps the playing field level for all. It eliminates the need for the applicant to interpret the Department's intentions and to prevent the kind of situation our challenger is trying to create.

We have spent over three years attempting to purchase a property in the State of Texas. We have expended over one-hundred and fifty thousand dollars on processing this application and securing financing for this property. We competed fairly and honestly, following the rules which resulted in The Malibu re-development attaining the highest ranking in our region, while creating double the number of affordable housing units than our competitors and bringing a high level of community services to the Malibu

Apartments. I appeal in the strongest sense for fairness and for reinstatement of our application to its rightful place in the process.

Thank you in advance for your consideration of this request.

Sincerely,

Royce A. Mulholland

NOTE: ***ACAP (Automated Customer Assistance Program).*** ACAP is a City of Austin in-house system used to track and coordinate responses to public concerns, requests for information and complaints received by the Austin City Council and City Manager's Office. ACAP generates a Customer Assistance Form (CAF) for each request – generally with an expected 10-day turn around.

Exhibits: **(Exhibit A)** Robbye Meyer's letter dated June 12, 2009
(Exhibit B) "Certification of Notifications At Pre-Application (Part III)
(Exhibit C) "Volume 3 Tab 3 -Certification of Notifications (Sections A-C) All Programs"
(Exhibit D) "Neighborhood Organization Request Letters" to Mayor Wynn and Council Member Martinez
(Exhibit E) Transcript from the City of Austin City Manager's office
(Exhibit F) Copy of NACA email
(Exhibit G) 2009 Housing Tax Credit Appeal Election Form

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

Rick Perry
GOVERNOR

Michael Gerber
EXECUTIVE DIRECTOR

BOARD MEMBERS
C. Kent Conine, *Chair*
Gloria Ray, *Vice Chair*
Leslie Bingham Escareño
Tomas Cardenas, P.E.
Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 12, 2009

Mr. Joe McLaughlin
TMG - TX Austin 1, LP
141-07 Twentieth Ave., Ste. 507
Whitestone, New York 11357

Re: Application #09159, Malibu Apartments

Dear Mr. McLaughlin;

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. As a result of a challenge to the Application, the Department identified that the Applicant indicated on the Certification of Notifications form that the Applicant requested information regarding neighborhood organizations whose boundaries may include the Development site and received no response from the local elected officials. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue. Further, the Applicant indicated on the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue as well. Per §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"),

> The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.

The Applicant did not meet this requirement of the QAP. Pursuant to §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on Friday, June 19, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

EXHIBIT B

CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.8(d)(3), evidence of notifications includes this sworn affidavit and the *Public Notifications Information* Form

Must accurately Check all applicable boxes below:

- ☒ I certify that all required requests for Neighborhood Organizations were made pursuant to §49.8(d)(3)(A) and included the required information as provided in the *Neighborhood Organization Request* template by December 8, 2008
- ☒ I certify that:
  - ☒ No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B); and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
  - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B); and/or
  - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
  - ☐ The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B) Date Mailed __/__/__
  - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*. Date Mailed __/__/__
- ☒ I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.8(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, *Public Notifications (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification 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 evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

By: [signature] 1-6-09 Its: Developer
Signature of Applicant/Owner *Date*

STATE OF: New York
COUNTY OF: Queens

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that [illegible], whose 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 official seal this 6 day of January 2009. (seal)

[signature]
Notary Public Signature

2012
Commission Expires

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01R06194420
Qualified in Queens County
My Commission Expires [illegible]

Jan. 6. 2009 11:34AM No. 0243 P. 7

EXHIBIT C

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☒ I (We) certify that:
     - ☐ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☒ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☒ I (We) certify that:
     - ☐ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☒ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☒ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written)*.
   - ☒ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial:

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 Pre-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.

☐ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on ☐/☐/☐ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☒ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 2/24/09 Its: _____
Signature of Applicant/Owner *Date*

STATE OF: N.Y.
COUNTY OF: Queens

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Louis Lhuillier, whose 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 official seal this 26 day of February, 2009. (seal)

_____ 2012
Notary Public Signature *Commission Expires*

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01R06194420
Qualified in Queens County
My Commission Expires 2012

EXHIBIT D

TMG

The Mulholland Group, LLC

December 8, 2008

Honorable Will Wynn, Mayor
P.O. Box 1088
Austin, TX 78767

Re: The Malibu-8600 North Lamar Blvd.
Austin, TX

Dear Mayor Wynn,

The Mulholland Group, LLC is considering a possible submission of an application for Low-Income Housing Tax Program through the Texas Department of Housing and Community Affairs (the "Department"). Pursuant to the Department's rules, this letter serves as a request for a list from your records of any neighborhood organizations which are on record with the county or state and whose boundaries include the following area: See attached map for boundaries of property.

If there are no such neighborhood organizations on record with your municipality or county, or if your office does not keep these records and you know the appropriate entity to request this list from, please respond by letter, email or fax stating such. Please respond by December 29, 2008 or prior.

Please note that this request is to ensure compliance with §§2306.6704(b)(1) of Texas Government Code, which requires that we notify "any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development". This notification must be made prior to submitting an application to the Department. Unfortunately, although this is a statutory requirement that must be met, there is not a specific central agency with the state that keeps a searchable list of these neighborhood organizations and there boundaries.

In general, neighborhood organization lists are kept within local municipalities; therefore, we are required to request a list of these neighborhood organizations from your office no later than December 8, 2008 to be eligible for the Low-Income Housing Tax Credit Program Should we decide to submit an application, we are required to use any list you provide to identify all neighborhood organizations on record with the state or county whose boundaries include the proposed development site. We will notify all of those neighborhood organizations prior to submitting an application to the Department.

It should also be noted that if we choose to submit an application, we are required to notify you under separate letter prior to submitting the proposed application. That notification will provide details of all relevant information to the proposed application. If you do not receive this notification, it is because we have decided not to submit an application to the Department.

I thank you in advance for any assistance in meeting these statutory requirements.

Sincerely,

Joseph McLaughlin
Director of Acquisitions

141-07 Twentieth Avenue, Suite 507 • Whitestone, New York 11357 • Tel: 212-661-5015 • Fax: 212-661-5771

TMG

The Mulholland Group, LLC

December 8,2008

RECEIVED
DEC 15 2008
COUNCIL MEMBER MIKE MARTINEZ

Honorable Mike Martinez
Council Member Place 2
P.O. Box 1088
Austin, TX 78767

Re: The Malibu-8600 North Lamar Blvd.
Austin, TX

Dear Councilman Martinez,

The Mulholland Group, LLC is considering a possible submission of an application for Low-Income Housing Tax Program through the Texas Department of Housing and Community Affairs (the "Department"). Pursuant to the Department's rules, this letter serves as a request for a list from your records of any neighborhood organizations which are on record with the county or state and whose boundaries include the following area: See attached map for boundaries of property.

If there are no such neighborhood organizations on record with your municipality or county, or if your office does not keep these records and you know the appropriate entity to request this list from, please respond by letter, email or fax stating such. Please respond by December 29, 2008 or prior.

Please note that this request is to ensure compliance with §§2306.6704(b)(1) of Texas Government Code, which requires that we notify "any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development". This notification must be made prior to submitting an application to the Department. Unfortunately, although this is a statutory requirement that must be met, there is not a specific central agency with the state that keeps a searchable list of these neighborhood organizations and there boundaries.

In general, neighborhood organization lists are kept within local municipalities; therefore, we are required to request a list of these neighborhood organizations from your office no later than December 8, 2008 to be eligible for the Low-Income Housing Tax Credit Program. Should we decide to submit an application, we are required to use any list you provide to identify all neighborhood organizations on record with the state or county whose boundaries include the proposed development site. We will notify all of those neighborhood organizations prior to submitting an application to the Department.

It should also be noted that if we choose to submit an application, we are required to notify you under separate letter prior to submitting the proposed application. That notification will provide details of all relevant information to the proposed application. If you do not receive this notification, it is because we have decided not to submit an application to the Department.

I thank you in advance for any assistance in meeting these statutory requirements.

Sincerely,

Joseph McLaughlin
Director of Acquisitions

141-07 Twentieth Avenue, Suite 507 • Whitestone, New York 11357 • Tel: 212-661-5015 • Fax: 212-661-5771

Royce Mulholland

EXHIBIT E

(1)

From: Paul Saldana [psaldana@adelantesolutions.com]
Sent: Wednesday, June 17, 2009 3:28 PM
To: 'Joe McLaughlin'; 'Sarah Anderson'; rmulholland@tmg-housing.com
Cc: 'Dolores Diaz'
Subject: CAF 1781- Joe McLaughlin
Importance: High
Attachments: CAF 1783 McLaughlin.pdf

Joe/Royce:

Attached is a copy of the internal ACAP Tracking System notes by the City Manager and Council offices. You will note in the internal tracking system notes below, that Council Member Martinez' office generated the first CAF (CAF #1781) in direct response to receipt of your 12/8/09 (see attached dated and stamped letter as submitted by CM Martinez' office).

You should note two things below: 1) under the disposition status section it indicates that no CAF response was issued to the citizen and 2) under the general comments section a notation that the CAF disposition was changed because Rita Noak from the CPIO department had already contacted citizen with the information, which proves that her response to Joe was not related to the 12/8/09 letter.

Call me in my office to discuss.

Thanks,

Paul

Paul M. Saldana, President & Principal
Adelante Solutions, Inc.
psaldana@adelantesolutions.com
2121 East 6th Street, Suite 201
Austin, TX 78702
tel: 512.637-0877
fax: 512.637.0883
mobile: 512.771.7284
http://www.adelantesolutions.com

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-----Original Message-----
From: Woltenberg, Kendall [mailto:Kendall.Woltenberg@ci.austin.tx.us]
Sent: Wednesday, June 17, 2009 2:03 PM
To: Paul Saldana
Subject: RE: ACAP Tracking System- CAF 1781/ Joseph McLaughlin

Hi, Paul-

Ok; attached is a scanned PDF for the CAF request request/response attachments:

Pages 1-4: Mr. McLaughlin's original letter request. (4 pages, 4th page was blank).
Page 5: CAF Summary that informed CM Martinez' office that this had been previously handled directly by CPIO's Rita Noak, with her copied email correspondence to Mr. McLaughlin, dated December 8th.
Pages 6-9: The contents of the Neighborhood Association information Rita had attached and provided to Mr. McLaughlin along with the December 8th email.

Let me know if I can assist with anything else. Hope this is helpful!

Regards,

Kendall
974-3297

From: Woltenberg, Kendall [mailto:Kendall.Woltenberg@ci.austin.tx.us]
Sent: Wednesday, June 17, 2009 1:39 PM
To: Paul Saldana
Subject: *****SPAM***** CAF 1781- Joe McLaughlin

User: Kendall Woltenberg
Dept: City Manager's Office, Marc A. Ott
(Department Admins)
Logout

- Navigation
- Requests
- Citizens
- SPOCs
- Search
- Reports
- Templates
- Search OLD ACAP
- Admin

CAF Details: 1781 print edit CAF

Requestor:	Council Member, Place 2 Mike Martinez		
Topic:	Public Information	Method Received:	Regular Mail
Description:	Please see the attached request from Joseph McLaughlin (The Mullholland Group, LLC) for a list of neighborhood organizations on record in order to obtain Low Income Housing Tax Credits. Document related to property know as The Malibu at 8600 North Lamar Blvd. Thanks!		
Created Date:	12/19/2008	ACM Due Date:	01/05/2009
Status:	Closed	CAF Level:	Corporate
Disposition:	Send copy of department response to		

CC Requestor, no CAF response to citizen

Response to: Assistant City Manager, Sue Edwards

Attachments: add attachment

Attachment Category	File Name	File Size		
Response	8600 North Lamar The Malibu.txt	1.12 kb	view	delete
Response	8312 North IH 35 Neighborhood Associations Search.txt	1.25 kb	view	delete
Response	CAF 1781 CPIO Response.doc	26.00 kb	view	delete
Request	12-08-08 Ltr from Joseph McLaughlin re- The Malibu.pdf	554.04 kb	view	delete

Citizen Details: edit citizen

Salutation: Mr.

Name: Joseph McLaughlin

Company Name: The Mullholland Group, LLC

Adress: 141-07 Twentieth Ave, Suite 507

City: Whitestone

State: NY

Zip: 11357

Phone: (212) 661-5015

Alternate Phone:

Fax: (212) 661-5771

Email:

Alternate Email:

Citizen Type: General Public

Department Details: add department

Lead Department: Communications and Public Information change

Lead Department Due Date: 01/02/2009

Workflow Status:

☑ Complete Change Status

Lead Department: Communications and Public Information

Approval Status:

Approving Department: Chief of Staff, Anthony Snipes

Status: Approved (12/31/2008)

Phone/Meeting Summary: add summary

Not Available.

General Comments:

add comment

User	Date and Time	Comment
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/22/2008 10:15:15 AM	update lead/acm due date per holiday conflict. kw
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:12:16 AM	Gina requests a change of disposition on this CAF, as Rita Noak, CPIO, has already contacted citizen with information. I will update that info as a summary response and move forward to Chief of Staff for review. kw

History:

User	Date and Time	Action
Assistant City Manager, Sue Edwards/Marie Sandoval	12/19/2008 02:28:15 PM	Add a new CAF
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/22/2008 10:14:59 AM	Update CAF Details
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:12:27 AM	Update CAF Details
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:15:32 AM	Add Attachment file: 8312 North IH 35 Neighborhood Associations Search.txt
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:15:46 AM	Add Attachment file: 8600 North Lamar The Malibu.txt
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:20:26 AM	Add Attachment file: CAF 1781 CPIO Response.doc
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:21:18 AM	Lead change status to Complete
Chief of Staff, Anthony Snipes/Rebecca Britain	12/31/2008 11:41:25 AM	Approved
Chief of Staff, Anthony Snipes/Rebecca Britain	12/31/2008 11:41:25 AM	Close CAF

Show all Requests Due: [All \/]

[Show]

© 2009 Source: City of Austin

EXHIBIT F

From: Eleanor Langsdorf [mailto:elangsdo@yahoo.com]
Sent: Thursday, June 18, 2009 8:23 PM
To: Roel Zambrano
Subject: RE: NACA registered with stat

Mr. Zambrano,

I am president of the North Austin Civic Association. NACA is not registered as an interested party in the case of the sale and redevelopment of the Malibu Apartments with either the Secretary of State's office, Travis County or the Texas Department of Housing and Community Affairs (TDHCA).

Eleanor Langsdorf
512-873-0480

09159

Executive Director's Response

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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GOVERNOR

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July 1, 2009

Mr. Joe McLaughlin
TMG - TX Austin 1, LP
141-07 Twentieth Ave., Ste. 507
Whitestone, New York 11357

Re: Application #09159, Malibu Apartments

Dear Mr. McLaughlin:

Appeal Review

I have carefully reviewed the appeal received on June 19, 2009, regarding your request for the termination your application be reconsidered and the application be reinstated in the 2009 Competitive Housing Tax Credit cycle,

The above referenced application was terminated because the applicant incorrectly certified the Certification of Notifications form and did not submit the required neighborhood organization information to the Department in accordance with §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 Qualified Allocation Plan and Rules (QAP).

Pursuant to §§49.8(d)(3)(A) and 49.9(h)(8)(A) the QAP specifically requires an applicant to "...list all Neighborhood Organizations on record with the county or state whose boundaries include the development site..., **or that the Applicant has knowledge of as of Pre-Application (or Application) Submission...**". The key phrase here "has knowledge of" is not referring to what is on record with the county or state. It is in addition to what might be "on record" with the county or state. By your own admission, you had knowledge of the North Austin Civic Club and the Austin Northwest Association. Neither of these organizations were listed on the Public Notification Information Form (Page 4) of the application. Therefore, your certification in Part III was incorrect because you marked the box that stated "I know of no neighborhood organizations within whose boundaries the Development is proposed to be located".

In addition, your ommission of this information hinders the Department in fullfilling its responsibility to the public in the notification process.

The fact that you were not "required" to notify the organization is not the reason for the termination of the application. It is the failure to disclose the required information to the Department and the incorrect certification that is the reason for the termination.

Appeal Determination

Your appeal is denied.

An appeal to the Board has been placed on the July 16, 2009 Board meeting agenda. Pursuant to §49.17(b)(4) of the 2009 QAP, if you wish to submit any further documentation for your Board appeal, the documentation **must** be received by 5:00 p.m. CST on Wednesday, July 8, 2009 to be placed with the July 16, 2009 Board materials. If no additional documentation is submitted, the appeal documentation to the Executive Director will be utilized.

Sincerely,

Michael Gerber
Executive Director

MFF/rgm

09159

Board Appeal Documents

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	The Malibu Apartments
Development Address:	8600 North Lamar Blvd, Austin, Tx 78753
Signer's Name	Royce A. Mulholland
Signer's Title:	President and Chief Executive Officer
Date:	6/18/09

Signed:

Sharon Gamble

From: Sarah Anderson [sarah@sarahandersonconsulting.com]
Sent: Friday, June 19, 2009 2:53 PM
To: 'Robbye Meyer'; 'Sharon Gamble'
Subject: Malibu termination appeal letter

Robbye/Sharon,

Attached is the Excecutive Director appeal letter for the termination of TDHCA application #09159 (The Malibu Apartments). In the event that Mr. Gerber does not approve the appeal, we would like this information, in addition to documentation provided in response to the original challenge, be submitted/made available to the Board of Directors for the June 25th meeting.

To document that this was filed in a timely manner, please confirm receipt of this email. Thanks!

TMG

The Mulholland Group, LLC

June 19, 2009

Mr. Michael Gerber
Executive Director
Texas Department of Housing and Community Development
221 East 11th P.O. Box 13941
Austin, Texas 78711-3941

Re: Application #09159, Malibu Apartments

Dear Mr. Gerber;

We are in receipt of Robbye Meyer's letter dated June 12, 2009 (**Exhibit A**) terminating the above referenced application. We strongly disagree with both of her findings with regard to the challenge to our application. We shall provide additional new evidence to support our first response to Mr. Moreau's challenge and clearly show that we had a legal obligation, based upon the unequivocal language of the Qualified Allocation Plan (QAP) with regard to our knowledge of Neighborhood Organizations registered with the County and State, to complete our application as we did. Secondly, we have confirmed that no letter was ever sent to us by any elected official of the City of Austin. Upon review of the information below we believe we should be reinstated to the number one ranked application in our region.

Ms. Meyer's letter makes two claims:

1- "…. That the applicant requested information regarding neighborhood organizations whose boundaries may include the Development site and received no response from the local elected officials. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue." And

2- "…the Applicant indicated in the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located."

141-07 Twentieth Avenue, Suite 507 • Whitestone, New York 11357 • Tel: 212-661-5015 • Fax: 212-661-5771

Our Response to the first claim

Although not required in the pre application stage we not only sent our request to the Mayor (see attached **Exhibit D**) but to all of the City Council persons. As informed by Ms. Woltenberg, of the City Manager's office, only one Customer Assistance Form (CAF) request can be logged into the system for any one given issue and that the same letter sent to multiple elected officials gets consolidated into one CAF. Attached as **Exhibit E** is a transcript from the City of Austin City Manager's office which clearly shows on page four that **"no CAF response to citizen"** was generated. Further examination of the correspondence log shows that Councilman Martinez only received our letter on December 15, 2008 (**see Exhibit D**). It would be impossible for Ms. Noak to have responded on December 8, 2008, the same day the letter was mailed from Whitestone, New York, if it was only first logged in on the 15th and then subsequently logged into the Automated Customer Assistance Program (ACAP-see note below for definition) system on December 19, 2008. We contend our challenger; Mr. Moreau, was aware of this fact and intentionally withheld that information to mislead TDHCA. Below is an explanation for the correspondence from Ms. Noak so that you and the Board have a clear picture of what occurred.

We have been working with the City of Austin since June, 2008 to the present, on three potential transactions in the City. Upon securing site control on two properties, the Malibu Apartments and Woodland Apartments, we contacted the City (Kelly Hunt and Gary Adrian) to inquire about additional funding for our potential acquisitions. We also inquired with regard to local organizations that could assist us in providing the extensive social services that we provide at our sites. Ms. Hunt directed us to Ms. Noak and we contacted her directly, which led to her email of the 8th of December. Our communication to Ms. Noak prior to the submitting the application had nothing to do with our TDHCA Neighborhood Request Form letter or even our tax credit application in general; but rather everything to do with our request for GO Bond funding from the City. Further, Ms. Noak responded via email rather than with a formal letter as required and requested in our Neighborhood Request letter. Additionally, as exhibits A & B clearly show no email addresses for any employee of The Mulholland Group (TMG) were provided. Ms. Noak only could have obtained such information via direct verbal communication with TMG weeks earlier.

We contend that an honest error occurred on the part of the Austin City elected officials. Rather than responding to our letter directly, as required by the ACAP system or instructing Ms. Noak to do so on their behalf, they mistakenly assumed that the previous communication would suffice. From our perspective not having any knowledge of these internal communications and not having received a letter from ANY of the local elected officials, we were required by Section 49.8(d) (3) (A) (ii) of the Qualified Allocation Plan (QAP) to:

(ii) if no reply **letter** (emphasis added) is received from the local elected officials by January 1, 2009, than the **Applicant must certify to that fact** in the "Pre Application Notification Certification Form" provided in the application (see **Exhibit B**).

It is our contention that we complied fully with the QAP with regard to answering this question. In fact it was the only answer we could have honestly and factually given because as you can see no letter or "response" was ever provided to us by any elected official from the City of Austin in response to our Neighborhood Request letter. Throughout this process from -TDHCA Tax Credit workshop, from our seasoned and highly respected consultants and other knowledgeable housing professionals- we have been instructed to follow a strict reading of the QAP. It is clear from the attached information from ACAP that is exactly what we did in our certification in the pre application and our final application submittal.

Our Response to the second claim

Ms. Meyers' second claim:

"...the Applicant indicated in the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located."

Ms. Meyers' statement is inaccurate as she later qualifies when she quotes from the QAP;

"**49.8(d)(3)(A)** (iii) The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application"

Additionally, the Certification of Notifications at Pre-Application (Part III) form contained in the application directs applicants to answer questions pursuant to Section **49.8(d)(3)** as well as the Neighborhood Organization Request template form letter which further clarifies the QAP by stating;

"Pursuant to the Department rules this letter serves as a request for a list from your records of any **Neighborhood Organizations which are on record with the County or State** and whose boundaries include the following area..."

Later in the same template letter it states the following: "...we are required to use any list you provide to **identify all Neighborhood Organizations on record with the State or County** whose boundaries include the proposed development site."

Our purpose in citing the numerous references contained in the various documents throughout the TDHCA application and QAP is to demonstrate that the standard definition of Neighborhood Organizations established in the QAP is Neighborhood Organizations registered and on record with the County and State. The requirement is to identify and contact those Neighborhood Organizations, if they exist, and to respond in the affirmative in the notifications section. As there were no Neighborhood Organizations

listed as registered with the County or State our answer is legally correct and accurate, and again; it was the only answer we could have honestly and factually given.

Our Challenger references Organizations that are not registered with the County and State. This fact is affirmed by the President of the North Austin Civic Association (NACA) (**see Exhibit F**) which confirms they are not on the County or State register. The other organization referenced by Mr. Moreau is the Austin Northwest Association which also doesn't appear on the State or County registry. Our consultants and my staff did numerous searches to determine what groups we were required to notify and found none.

We believe our response to be the legal and most accurate one when taken in the larger context of the QAP, specifically Section 49.8(d) (3) (A) and Section 49.9(h) (8) (A) **(see Exhibit C)** of the 2009 QAP and rules.

Conclusion

According to the Official City Record, no response was given to the letters we sent to the Mayor or any other elected officials. The attempt to mislead TDHCA by citing other prior communications with City staff members on a non-related matter should not be allowed to stand. We were not privy to the internal discussions and had to rely upon the facts as we knew them, which is that no letter was sent in response to our request.

Second, by any legal or reasonable reading of the notification section cited for our termination the standard set by the QAP is those groups, "on record with the county or state whose boundaries include the proposed Development Site…". At the time of the pre-application and application there were no groups on the county and state register.

Our Challenger, Mr. Moreau, who has extensive experience with TDHCA application process clearly knew the standard and for his own personal agenda attempted to mislead the TDHCA. As a former State Housing official and a current member of the Board of the New York State Housing Finance Agency, I am acutely aware of the necessity to follow strictly the directions for funding given the limited resources of the current market place. We were counseled at the TDHCA workshop, by our consultants and throughout the application process that we could and must rely upon the QAP in the strictest of manners. The QAP is the instrument that keeps the playing field level for all. It eliminates the need for the applicant to interpret the Department's intentions and to prevent the kind of situation our challenger is trying to create.

We have spent over three years attempting to purchase a property in the State of Texas. We have expended over one-hundred and fifty thousand dollars on processing this application and securing financing for this property. We competed fairly and honestly, following the rules which resulted in The Malibu re-development attaining the highest ranking in our region, while creating double the number of affordable housing units than our competitors and bringing a high level of community services to the Malibu

Apartments. I appeal in the strongest sense for fairness and for reinstatement of our application to its rightful place in the process.

Thank you in advance for your consideration of this request.

Sincerely,

Royce A. Mulholland

NOTE: ***ACAP (Automated Customer Assistance Program).*** ACAP is a City of Austin in-house system used to track and coordinate responses to public concerns, requests for information and complaints received by the Austin City Council and City Manager's Office. ACAP generates a Customer Assistance Form (CAF) for each request – generally with an expected 10-day turn around.

Exhibits: **(Exhibit A)** Robbye Meyer's letter dated June 12, 2009
(Exhibit B) "Certification of Notifications At Pre-Application (Part III)
(Exhibit C) "Volume 3 Tab 3 -Certification of Notifications (Sections A-C) All Programs"
(Exhibit D) "Neighborhood Organization Request Letters" to Mayor Wynn and Council Member Martinez
(Exhibit E) Transcript from the City of Austin City Manager's office
(Exhibit F) Copy of NACA email
(Exhibit G) 2009 Housing Tax Credit Appeal Election Form

EXHIBIT A

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

www.tdhca.state.tx.us

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Michael Gerber
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Thomas H. Gann
Juan S. Muñoz, Ph.D.

June 12, 2009

Mr. Joe McLaughlin
TMG - TX Austin 1, LP
141-07 Twentieth Ave., Ste. 507
Whitestone, New York 11357

Re: Application #09159, Malibu Apartments

Dear Mr. McLaughlin;

The Texas Department of Housing and Community Affairs received an application for the above referenced development on February 27, 2009. As a result of a challenge to the Application, the Department identified that the Applicant indicated on the Certification of Notifications form that the Applicant requested information regarding neighborhood organizations whose boundaries may include the Development site and received no response from the local elected officials. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue. Further, the Applicant indicated on the Certification of Notifications form that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located. Review of documentation submitted with the challenge and in the Applicant's response to the challenge shows this to be untrue as well. Per §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 Qualified Allocation Plan and Rules ("QAP"),

> The Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, or that the Applicant has knowledge of as of Pre-Application Submission in the "Pre-Application Notification Certification Form" provided in the Pre-Application.

The Applicant did not meet this requirement of the QAP. Pursuant to §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 QAP, staff has terminated the above referenced application. You have a right to appeal this termination to the Executive Director in accordance with §49.17(b) of the 2009 QAP. There is also an election form requesting an appeal to the Board, should the Executive Director deny the appeal. If you would like to preserve your rights for an appeal to the Board, please complete the form and return it with your appeal to the Executive Director no later than **5:00 p.m. on Friday, June 19, 2009.**

If you have any questions, please do not hesitate to contact Sharon Gamble at 512-475-4610 or sharon.gamble@tdhca.state.tx.us .

Sincerely,

Robbye Meyer
Director of Multifamily Finance

EXHIBIT B

CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.8(d)(3), evidence of notifications includes this sworn affidavit and the *Public Notifications Information* Form

Must accurately Check all applicable boxes below:

- ☒ I certify that all required requests for Neighborhood Organizations were made pursuant to §49.8(d)(3)(A) and included the required information as provided in the *Neighborhood Organization Request* template by December 8, 2008
- ☒ I certify that:
  - ☒ No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B); and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
  - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B); and/or
  - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
  - ☐ The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B) Date Mailed __/__/__
  - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*. Date Mailed __/__/__
- ☒ I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.8(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, *Public Notifications (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification 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 evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

By: [signature] 1-6-09 Its: Developer
Signature of Applicant/Owner *Date*

STATE OF: New York
COUNTY OF: Queens

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that [illegible], whose 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 official seal this 6 day of January 2009. (seal)

[signature]
Notary Public Signature

2012
Commission Expires

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01R06194420
Qualified in Queens County
My Commission Expires [illegible]

Jan. 6. 2009 11:34AM No. 0243 P. 7

EXHIBIT C

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☒ I (We) certify that:
     - ☐ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☒ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☒ I (We) certify that:
     - ☐ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☒ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☒ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written)*.
   - ☒ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial:

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 Pre-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.

☐ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on ☐/☐/☐ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☒ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 2/24/09 Its: _____
Signature of Applicant/Owner *Date*

STATE OF: N.Y.
COUNTY OF: Queens

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Louis Lhuillier, whose 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 official seal this 26 day of February, 2009. (seal)

_____ 2012
Notary Public Signature *Commission Expires*

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01R06194420
Qualified in Queens County
My Commission Expires 2012

EXHIBIT D

TMG

The Mulholland Group, LLC

December 8, 2008

Honorable Will Wynn, Mayor
P.O. Box 1088
Austin, TX 78767

Re: The Malibu-8600 North Lamar Blvd.
Austin, TX

Dear Mayor Wynn,

The Mulholland Group, LLC is considering a possible submission of an application for Low-Income Housing Tax Program through the Texas Department of Housing and Community Affairs (the "Department"). Pursuant to the Department's rules, this letter serves as a request for a list from your records of any neighborhood organizations which are on record with the county or state and whose boundaries include the following area: See attached map for boundaries of property.

If there are no such neighborhood organizations on record with your municipality or county, or if your office does not keep these records and you know the appropriate entity to request this list from, please respond by letter, email or fax stating such. Please respond by December 29, 2008 or prior.

Please note that this request is to ensure compliance with §§2306.6704(b)(1) of Texas Government Code, which requires that we notify "any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development". This notification must be made prior to submitting an application to the Department. Unfortunately, although this is a statutory requirement that must be met, there is not a specific central agency with the state that keeps a searchable list of these neighborhood organizations and there boundaries.

In general, neighborhood organization lists are kept within local municipalities; therefore, we are required to request a list of these neighborhood organizations from your office no later than December 8, 2008 to be eligible for the Low-Income Housing Tax Credit Program Should we decide to submit an application, we are required to use any list you provide to identify all neighborhood organizations on record with the state or county whose boundaries include the proposed development site. We will notify all of those neighborhood organizations prior to submitting an application to the Department.

It should also be noted that if we choose to submit an application, we are required to notify you under separate letter prior to submitting the proposed application. That notification will provide details of all relevant information to the proposed application. If you do not receive this notification, it is because we have decided not to submit an application to the Department.

I thank you in advance for any assistance in meeting these statutory requirements.

Sincerely,

Joseph McLaughlin
Director of Acquisitions

141-07 Twentieth Avenue, Suite 507 • Whitestone, New York 11357 • Tel: 212-661-5015 • Fax: 212-661-5771

TMG

The Mulholland Group, LLC

December 8,2008

RECEIVED
DEC 15 2008
COUNCIL MEMBER MIKE MARTINEZ

Honorable Mike Martinez
Council Member Place 2
P.O. Box 1088
Austin, TX 78767

Re: The Malibu-8600 North Lamar Blvd.
Austin, TX

Dear Councilman Martinez,

The Mulholland Group, LLC is considering a possible submission of an application for Low-Income Housing Tax Program through the Texas Department of Housing and Community Affairs (the "Department"). Pursuant to the Department's rules, this letter serves as a request for a list from your records of any neighborhood organizations which are on record with the county or state and whose boundaries include the following area: See attached map for boundaries of property.

If there are no such neighborhood organizations on record with your municipality or county, or if your office does not keep these records and you know the appropriate entity to request this list from, please respond by letter, email or fax stating such. Please respond by December 29, 2008 or prior.

Please note that this request is to ensure compliance with §§2306.6704(b)(1) of Texas Government Code, which requires that we notify "any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development". This notification must be made prior to submitting an application to the Department. Unfortunately, although this is a statutory requirement that must be met, there is not a specific central agency with the state that keeps a searchable list of these neighborhood organizations and there boundaries.

In general, neighborhood organization lists are kept within local municipalities; therefore, we are required to request a list of these neighborhood organizations from your office no later than December 8, 2008 to be eligible for the Low-Income Housing Tax Credit Program. Should we decide to submit an application, we are required to use any list you provide to identify all neighborhood organizations on record with the state or county whose boundaries include the proposed development site. We will notify all of those neighborhood organizations prior to submitting an application to the Department.

It should also be noted that if we choose to submit an application, we are required to notify you under separate letter prior to submitting the proposed application. That notification will provide details of all relevant information to the proposed application. If you do not receive this notification, it is because we have decided not to submit an application to the Department.

I thank you in advance for any assistance in meeting these statutory requirements.

Sincerely,

Joseph McLaughlin
Director of Acquisitions

141-07 Twentieth Avenue, Suite 507 • Whitestone, New York 11357 • Tel: 212-661-5015 • Fax: 212-661-5771

Royce Mulholland

EXHIBIT E

(1)

From: Paul Saldana [psaldana@adelantesolutions.com]
Sent: Wednesday, June 17, 2009 3:28 PM
To: 'Joe McLaughlin'; 'Sarah Anderson'; rmulholland@tmg-housing.com
Cc: 'Dolores Diaz'
Subject: CAF 1781- Joe McLaughlin
Importance: High
Attachments: CAF 1783 McLaughlin.pdf

Joe/Royce:

Attached is a copy of the internal ACAP Tracking System notes by the City Manager and Council offices. You will note in the internal tracking system notes below, that Council Member Martinez' office generated the first CAF (CAF #1781) in direct response to receipt of your 12/8/09 (see attached dated and stamped letter as submitted by CM Martinez' office).

You should note two things below: 1) under the disposition status section it indicates that no CAF response was issued to the citizen and 2) under the general comments section a notation that the CAF disposition was changed because Rita Noak from the CPIO department had already contacted citizen with the information, which proves that her response to Joe was not related to the 12/8/09 letter.

Call me in my office to discuss.

Thanks,

Paul

Paul M. Saldana, President & Principal
Adelante Solutions, Inc.
psaldana@adelantesolutions.com
2121 East 6th Street, Suite 201
Austin, TX 78702
tel: 512.637-0877
fax: 512.637.0883
mobile: 512.771.7284
http://www.adelantesolutions.com

CONFIDENTIALITY NOTICE: The materials in this electronic mail transmission (including all attachments) are private and confidential and are the property of the sender. The information contained in the material is intended only for the use of the named addressee(s). If you are not the intended addressee, be advised that any unauthorized disclosure, copying, distribution or the taking of any action in reliance on the contents of this material is strictly prohibited. If you have received this electronic mail transmission in error, please immediately notify the sender by telephone at (512) 637-0877 or send an electronic message to psaldana@adelantesolutions.com, and thereafter, destroy it immediately.

-----Original Message-----
From: Woltenberg, Kendall [mailto:Kendall.Woltenberg@ci.austin.tx.us]
Sent: Wednesday, June 17, 2009 2:03 PM
To: Paul Saldana
Subject: RE: ACAP Tracking System- CAF 1781/ Joseph McLaughlin

Hi, Paul-

Ok; attached is a scanned PDF for the CAF request request/response attachments:

Pages 1-4: Mr. McLaughlin's original letter request. (4 pages, 4th page was blank).
Page 5: CAF Summary that informed CM Martinez' office that this had been previously handled directly by CPIO's Rita Noak, with her copied email correspondence to Mr. McLaughlin, dated December 8th.
Pages 6-9: The contents of the Neighborhood Association information Rita had attached and provided to Mr. McLaughlin along with the December 8th email.

Let me know if I can assist with anything else. Hope this is helpful!

Regards,

Kendall
974-3297

From: Woltenberg, Kendall [mailto:Kendall.Woltenberg@ci.austin.tx.us]
Sent: Wednesday, June 17, 2009 1:39 PM
To: Paul Saldana
Subject: *****SPAM***** CAF 1781- Joe McLaughlin

User: Kendall Woltenberg
Dept: City Manager's Office, Marc A. Ott
(Department Admins)
Logout

- Navigation
- Requests
- Citizens
- SPOCs
- Search
- Reports
- Templates
- Search OLD ACAP
- Admin

CAF Details: 1781 print edit CAF

Requestor:	Council Member, Place 2 Mike Martinez		
Topic:	Public Information	Method Received:	Regular Mail
Description:	Please see the attached request from Joseph McLaughlin (The Mullholland Group, LLC) for a list of neighborhood organizations on record in order to obtain Low Income Housing Tax Credits. Document related to property know as The Malibu at 8600 North Lamar Blvd. Thanks!		
Created Date:	12/19/2008	ACM Due Date:	01/05/2009
Status:	Closed	CAF Level:	Corporate
Disposition:	Send copy of department response to		

CC Requestor, no CAF response to citizen

Response to: Assistant City Manager, Sue Edwards

Attachments: add attachment

Attachment Category	File Name	File Size		
Response	8600 North Lamar The Malibu.txt	1.12 kb	view	delete
Response	8312 North IH 35 Neighborhood Associations Search.txt	1.25 kb	view	delete
Response	CAF 1781 CPIO Response.doc	26.00 kb	view	delete
Request	12-08-08 Ltr from Joseph McLaughlin re- The Malibu.pdf	554.04 kb	view	delete

Citizen Details: edit citizen

Salutation: Mr.

Name: Joseph McLaughlin

Company Name: The Mullholland Group, LLC

Adress: 141-07 Twentieth Ave, Suite 507

City: Whitestone

State: NY

Zip: 11357

Phone: (212) 661-5015

Alternate Phone:

Fax: (212) 661-5771

Email:

Alternate Email:

Citizen Type: General Public

Department Details: add department

Lead Department: Communications and Public Information change

Lead Department Due Date: 01/02/2009

Workflow Status:

☑ Complete Change Status

Lead Department: Communications and Public Information

Approval Status:

Approving Department: Chief of Staff, Anthony Snipes

Status: Approved (12/31/2008)

Phone/Meeting Summary: add summary

Not Available.

General Comments:

add comment

User	Date and Time	Comment
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/22/2008 10:15:15 AM	update lead/acm due date per holiday conflict. kw
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:12:16 AM	Gina requests a change of disposition on this CAF, as Rita Noak, CPIO, has already contacted citizen with information. I will update that info as a summary response and move forward to Chief of Staff for review. kw

History:

User	Date and Time	Action
Assistant City Manager, Sue Edwards/Marie Sandoval	12/19/2008 02:28:15 PM	Add a new CAF
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/22/2008 10:14:59 AM	Update CAF Details
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:12:27 AM	Update CAF Details
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:15:32 AM	Add Attachment file: 8312 North IH 35 Neighborhood Associations Search.txt
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:15:46 AM	Add Attachment file: 8600 North Lamar The Malibu.txt
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:20:26 AM	Add Attachment file: CAF 1781 CPIO Response.doc
City Manager's Office, Marc A. Ott/Kendall Woltenberg	12/31/2008 11:21:18 AM	Lead change status to Complete
Chief of Staff, Anthony Snipes/Rebecca Britain	12/31/2008 11:41:25 AM	Approved
Chief of Staff, Anthony Snipes/Rebecca Britain	12/31/2008 11:41:25 AM	Close CAF

Show all Requests Due: [All \/]

[Show]

© 2009 Source: City of Austin

EXHIBIT F

From: Eleanor Langsdorf [mailto:elangsdo@yahoo.com]
Sent: Thursday, June 18, 2009 8:23 PM
To: Roel Zambrano
Subject: RE: NACA registered with stat

Mr. Zambrano,

I am president of the North Austin Civic Association. NACA is not registered as an interested party in the case of the sale and redevelopment of the Malibu Apartments with either the Secretary of State's office, Travis County or the Texas Department of Housing and Community Affairs (TDHCA).

Eleanor Langsdorf
512-873-0480

EXHIBIT G

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

2009 HOUSING TAX CREDIT APPEAL ELECTION FORM

This form is to notify the Department that I am filing a formal appeal to the Executive Director for processing.

If my appeal is denied by the Executive Director, I: (check one)

☒ Do wish to appeal to the Board of Directors and request that my application be added to the June 25, 2009 Board of Directors meeting agenda. My appeal documentation, which identifies my specific grounds for appeal, is attached. I understand that my Board appeal documentation must be submitted by 5:00 p.m. Thursday, June 18, 2009 to be placed in the June 25, 2009 Board materials. If no further documentation is submitted, the appeal documentation to the Executive Director will be utilized.

☐ Do not wish to appeal to the Board of Directors.

Development Name:	The Malibu Apartments
Development Address:	8600 North Lamar Blvd, Austin, Tx 78757
Signer's Name	Royce A. Mulholland
Signer's Title:	President and Chief Executive Officer
Date:	6/18/09

Signed:

TMG TX-Austin I, L.P.
141-07 20th Avenue, Suite 507
Whitestone, NY 11357
Phone: (212) 661-5015 Facsimile: (212) 661-5771

June 5, 2009

Ms. Robbye Meyer
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711

RE: Response to Challenge on 09159, Malibu Apartments

Dear Ms. Meyer:

This letter is in response to the challenges presented by Mr. Walter Moreau regarding the Malibu Apartments. Mr. Moreau alleges that 1) the Applicant knowingly misrepresented information in its application to TDHCA regarding the response to their request for Neighborhood Organization from the City of Austin, and 2) that the Applicant did not properly notify Neighborhood Organizations per the 2009 QAP.

1. Request for Neighborhood Organizations from the City of Austin

It is important to note that the Developer began working with the City of Austin staff in the spring of 2008 and had working relationships with several staff members including Ms. Rita Noak with the City of Austin Communications and Public Information Office. Since The Mulholland Group (TMG) was new to the Austin market, and at the time had not engaged a local consultant, we worked directly with City staff when it came to information regarding the Request for Neighborhood Organizations. Prior to sending the neighborhood organization request to the Mayor of Austin, Mr. Joe McLaughlin with TMG had telephoned Ms. Noak on December 4th, 2008, to ask for information on local groups to contact regarding the Malibu Apartments as well as the Woodland Heights Apartments (a second property that we were looking at). Mr. McLaughlin believed that the email he received from her on December 8, 2008, was in response to this direct telephone call to her, and not a response to a formal Request for Neighborhood Organizations.

Historically, responses to the formal Request for Neighborhood Organizations letter are either in the form of a letter or email directly from the elected official that references the initial request letter, or a letter or email from a staff member with the local official's office that references the initial request letter and indicates that they are responding on behalf of the local official. We did not receive any such formal response.

As you can see from the email from Ms. Noak (Attachment A), there is nothing that would indicate that this was a response to a formal letter that had been sent to the Mayor of Austin. In fact, the casual nature and language of the email would indicate that it was in response to a direct inquiry for information.

Until this challenge, the Developer did not believe that any response had been received from the City with regard to his written Request for Neighborhood Organizations dated December 8, 2008. This can be corroborated through the email exchange between Mr. McLaughlin and his then-newly-engaged consultant, Sarah Anderson, dated January 5, 2009, just prior to the pre-application submission. (See Attachment B).

The Certification of Notifications at Pre-Application form from the pre-application is very specific regarding the response options from the Local Elected Officials regarding the request for Neighborhood Organizations:

> *No reply letter (to the request for Neighborhood Organization information) was received from the **local elected officials** by January 1, 2009, and/or*
>
> *A response was received from the **local elected officials** before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B), and/or*
>
> *A response was received from the **local elected officials** before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations, and/or*
>
> *The **local elected officials** referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B).*

Because no formal correspondence was received from the Mayor of Austin, nor was there any correspondence indicating that the request had been sent to another office to be processed, nor was there any correspondence that referred to the written request at all, the Developer certified to the fact that none had been received. This was a true and correct certification at both the pre and full application stage of the process. Please see Attachment C from Developer certifying to the facts as presented above.

If the Department believes that the Certification of Notifications form should be revised to read that a response was received from the local elected officials, we will be happy to resubmit the certification form.

2. Notification of Neighborhood Organizations

Per the email from Rita Noak, the Applicant was aware of the North Austin Civic Association, as well as the Austin Northwest Association. **However, according to the QAP, the applicant is only required to notify neighborhood organizations "on record with the state or county." Sections 49.8(d)(3)(B)(i) and 49.9(h)(8)(ii)(I) specifically state that the Applicant must notify "Neighborhood Organizations on record with the state or county whose boundaries include the proposed Development Site..."** The reason that the North Austin Civic Association and the Austin Northwest Association were not notified when the elected officials were notified is because while they are on record with the city, neither organization appears to be on record with the state or county as required by statute and the QAP.

The North Austin Civic Association does not appear to be registered with the Texas Secretary of State, nor does it appear to be listed with Travis County. A search for "North Austin Civic Association" at http://www.sos.state.tx.us/corp/sosda/index.shtml, which is the search website for the Secretary of State, does not produce a matching result. A search for "North Austin Civic Association" at http://deed.co.travis.tx.us/, which is the public access site for Travis County Clerk, does not produce a matching result. In addition, we called and spoke with "Bob" at the Travis County Clerk's Office, who

told us that Travis County does not keep a list of neighborhood organizations. Likewise, the Austin Northwest Association did not appear in our search of state or county records.

In an effort to identify additional organizations, at the time of pre-application, the Applicant did consult the City of Austin community registry database located at http://www.ci.austin.tx.us/neighbor/search.htm to check for any community organizations in the area. Inputting zip code 78753 (which is the zip code for the Malibu Apartments) into the search produces a list of organizations that do not appear to include the proposed development. Please see Attachment D for a list of these search results.

The Certification of Notifications at Pre-Application form is very clear in referencing §49.8(d)(3)(B) with regard to whether the Applicant has knowledge of neighborhood organizations:

> *I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B), and/or*
>
> *I know of no neighborhood organizations within whose boundaries the Development is proposed to be located.*

Since this list of search results did not produce a neighborhood group in the area, and the organizations listed in the email from Ms. Noak were not required to be notified as required by Sections 49.8(d)(3)(B)(i) 49.9(h)(8)(A)(ii)(I) and/or other applicable Rules because they are not on record with the county or state, we checked the box that we knew of "no neighborhood organization within whose boundaries the Development is proposed to be located." Thusly, no neighborhood organizations were listed on Public Notifications Information Form in the pre-application.

While it is true that we re-notified elected officials at Full Application as required by 49.9(h)(8)(ii) due to a change in the income levels served by the development, the identified neighborhood organizations were not notified at this time, again, because they are not on record with the county or state, and thus do not fall under the requirements of 49.9(h)(8)(ii)(I).

However, it should be emphasized that while we were not required by the QAP to include the identified organizations in the notification process, we did not avoid contact with the local neighborhood groups as Mr. Moreau seems to imply. In fact, we have had contact with these organizations, and have been told that the groups are not opposed to the rehabilitation proposed at the Malibu Apartments or the application for Tax Credits from TDHCA.

Mr. Brian Almon, who is the contact for the North Austin Civic Association Neighborhood Plan, was contacted by telephone on March 19, 2009, and additional information was emailed to Mr. Almon on March 23, 2009. Please see the evidence of this contact in Attachment E.

Mr. Anthony Williams, believed to be the president of the North Austin Civic Association, was contacted by telephone on Thursday, March 19, 2009, and subsequently by email on Tuesday, March 24, 2009. Mr. Williams responded that he is no longer the president of the North Austin Civic Association and suggested that the Applicant visit the neighborhood group's website to obtain the contact information for the current president. Ms. Eleanor Langsdorf was contacted via email on March 25, 2009, regarding the rehabilitation of the Malibu Apartments. While a meeting between the Applicant and Ms. Langsdorf could not be scheduled while the Applicant was in town, Ms. Langsdorf said in her email that, "At this point, I have no objection to your plan…" and asked for more information. Please see the evidence of this contact in Attachment F. The Applicant hopes to make contact with Ms Langsdorf in the near future.

Ms. Sarah Teeter with the Austin Northwest Association was contacted by telephone on Thursday, March 19, 2009, and subsequently by email on Tuesday, March 24, 2009, regarding the redevelopment of the

Malibu Apartments. Ms. Teeter responded that she has "no interest one way or the other." Please see evidence of this contact in Attachment G.

Finally, with no group on record with the County or State we went to the local group most affected by the plan, the Malibu Resident Council, met with them and presented detailed information and obtained their approval of the project.

In conclusion, we maintain that (1) we did not receive a formal reply from the local elected official, and that the certification made in the application was believed to be the only true and correct certification to be made at the time, and (2) the neighborhood organizations mentioned by Mr. Moreau, the North Austin Civic Association and the Austin Northwest Association, are not on record with the state or county. Per sections 49.8(d)(3)(B)(i) and 49.9(h)(8)(ii)(I) of the QAP, because these organizations were not on record with the state or county, the Applicant was not required to notify them nor include them within the application.

Please let us know if you have any questions or require any additional information regarding these matters.

Sincerely,

Royce A. Mulholland
Principal, The Mulholland Group, LLC

CC: Sarah Anderson
Joe McLaughlin

Attachment A

alyssa carpenter <ajcarpen@gmail.com>

Fwd: Neighborhood listings

Sarah Anderson <sarah@sarahandersonconsulting.com> **Fri, Jun 5, 2009 at 12:40 PM**
To: Alyssa Carpenter <ajcarpen@gmail.com>

Email from and to Rita Noak below.

Regards,

Sarah Anderson

S. Anderson Consulting

1305 E. 6th St., #12

Austin, TX 78702

512-554-4721

fax: 512-233-2269

From: Joe McLaughlin [mailto:jmclaughlin@tmg-housing.com]
Sent: Tuesday, June 02, 2009 12:40 PM
To: 'Sarah Andre'; 'Sarah Anderson'
Subject: FW: Neighborhood listings

From: Joe McLaughlin [mailto:jmclaughlin@tmg-housing.com]
Sent: Monday, December 08, 2008 15:55
To: 'Noak, Rita'
Subject: RE: Neighborhood listings

Thanks again.

Attachment A

From: Noak, Rita [mailto:Rita.Noak@ci.austin.tx.us]
Sent: Monday, December 08, 2008 15:57
To: jmclaughlin@tmg-housing.com
Subject: Neighborhood listings

Joe,

I am attaching two text files containing the neighborhood information you requested. The files are labeled on the top as to which address they represent. I hope that this is what you are needing.

Please let me know if you need anything additional.

Thank you

Rita

Rita Pirone Noak

Community Registry Coordinator

City of Austin

Communications and Public Information Office

www.cityofaustin.org

rita.noak@ci.austin.tx.us

974-2584 Tue-Friday

P.O. Box 1088

Austin, TX 78767

Attachment B

alyssa carpenter <ajcarpen@gmail.com>

FW: partnership names

Sarah Anderson <sarah@sarahandersonconsulting.com> **Wed, May 27, 2009 at 3:26 PM**
To: Alyssa Carpenter <ajcarpen@gmail.com>

From: Joe McLaughlin [mailto:jmclaughlin@tmg-housing.com]
Sent: Monday, January 05, 2009 16:48
To: 'Sarah Anderson'; 'Royce Mulholland'; 'LaurieGordon123@aol.com'
Subject: RE: partnership names

No.

From: Sarah Anderson [mailto:sarah@sarahandersonconsulting.com]
Sent: Monday, January 05, 2009 16:56
To: 'Royce Mulholland'; 'Joe McLaughlin'; LaurieGordon123@aol.com
Subject: RE: partnership names

Thanks. BTW, did you guys ever hear back from the City of Austin or San Antonio regarding neighborhood organizations?

Regards,

Sarah Anderson

S. Anderson Consulting

1305 E. 6th St., #12

Austin, TX 78702

512-554-4721

fax: 512-233-2269

Attachment B

From: Royce Mulholland [mailto:rmulholland@tmg-housing.com]
Sent: Monday, January 05, 2009 3:21 PM
To: 'Sarah Anderson'; 'Joe McLaughlin'; LaurieGordon123@aol.com
Subject: RE: partnership names

TMG-TX Austin I, LP

TMG-TX San Antonio I, LP

From: Sarah Anderson [mailto:sarah@sarahandersonconsulting.com]
Sent: Monday, January 05, 2009 16:20
To: 'Joe McLaughlin'; 'Royce Mulholland'; LaurieGordon123@aol.com
Subject: partnership names

Need to know what partnership names you want to go with for the applications…

Regards,

Sarah Anderson

S. Anderson Consulting

1305 E. 6th St., #12

Austin, TX 78702

512-554-4721

fax: 512-233-2269

Attachment C

Sworn Statement

Clarification of Certification of Notifications

My name is Joe McLaughlin and I am the Director of Acquisitions with The Mulholland Group LLC. I am authorized to conduct business and sign documents on behalf of The Mulholland Group LLC with regard to the application for Housing Tax Credits for the Malibu Apartments in Austin, Texas.

My contact with the City of Austin began in the spring of 2008 with regard to rehabilitation opportunities with regard to existing multifamily residential properties within the City of Austin city limits. I first began speaking with Ms. Kelly Hunt regarding an existing multifamily property not being the Malibu Apartments, and I continued the contact during the summer of 2008 when The Mulholland Group LLC looked at the Malibu Apartments and another existing property as potential 4% bond transactions. When we decided to change our strategy to 9% Housing Tax Credits, I spoke with Mr. Tom Gouris, Director of Real Estate Analysis with the Texas Department of Housing & Community Affairs, and he recommended that I attend the HTC workshop in Austin on December 1, 2008.

I had planned to meet with Ms. Hunt while in Austin for the HTC workshop, but she was unable to meet me during my visit. When I realized how close we were to the deadline to send letters to Local Elected Officials asking for neighborhood organizations, I called Ms. Hunt for assistance on whom I should mail the request, as well as information on neighborhood organizations for the Malibu and Woodland Heights development. Ms. Hunt instructed me to send the request for neighborhood organizations to all city council members and the Mayor, and she gave me Ms. Rita's Noak's number so that I could call her directly about the neighborhood organizations. I wanted to "get ahead of the curve" by trying to locate local neighborhood organizations prior to the formal request.

When I received an email containing a list of neighborhood organizations from Ms. Noak on December 8, 2008, I believed that the email was in response to my phone call. Because Ms. Noak's email did not reference my formal written request, I had no reason to believe it was in response to that formal written request.

Because I did not believe that I had received a response from the City of Austin's Local Elected Officials in response to my formal request for neighborhood organizations, I checked that "No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009" on the Certification of Notifications at Pre-Application form in the pre-application.

Until the challenge presented by Mr. Walter Moreau, I never associated Ms. Noak's December 8, 2008, email with a response from the City to my formal request for neighborhood organizations written to the Local Elected Officials.

EXECUTED this 4TH day of June, 2009.

Joseph McLaughlin
Signature

Subscribed and sworn before me by Joseph McLaughlin, on this 4 day of June, 2009.

Notary Public

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01RO6104420
Qualified in Queens County
My Commission Expires 3/09

Attachment D

Community Registry

Please click on Neighborhood Association name for detailed information.

Collinwood West Homeowners Association

Boundaries

North: Wandering Way
South: Collinwood Drive
East: Dessau Road
West: Claywood Drive

Copperfield Neighborhood Organization (CNO)

Boundaries

North: Parmer Lane
South: Walnut Creek
East: Dessau Road
West: Copperfield Drive (north of Yager) & Walnut Creek (south of Yager)

Friends of Copperfield Nature Trails

Boundaries

North: Copperfield Nature Trails at Yager Lane
South: Copperfield Nature Trails along Walnut Creek
East: Copperfield Nature Trails at Dessau Road
West: Copperfield Nature Trails to I-35

Harris Glenn Homeowners Association

Boundaries

North: Josh Ridge Blvd
South: Parmer Ln
East: Barthold
West: Harris Ridge Blvd./ Cassat Cove

Heritage Hills - Woodridge Neighborhood Assn.

Boundaries

North: Little Walnut Creek
South: Hwy 183
East: Cameron Road
West: IH 35

Mockingbird Hill Neigh. Assn.

Boundaries

Attachment D

North: Provines
South: Applegate
East: Middle Fiskville Rd.
West: North Lamar Bldv.

North Acres Homeowners Assn.

Boundaries

North: Hollybluff to Walnut Bend then Denell Circle
South: Floradale Dr./Newport Ave
East: Pond/Polecat Creek
West: Middle Fiskville Road/Walnut Bend

North Copperfield Neighborhood Association

Boundaries

North: Parmer Lane
South: Yager Lane
East: Parmer Lane
West: Copperfield Dr.

Northcreek & Georgian Acres Neigh. Assn.

Boundaries

North: Applegate Dr. East to Brownie Dr. North to East grady and back down to Applegate Dr. to IH 35
South: US Hwy 183
East: IH 35
West: Lamar Blvd.

Northeast Walnut Creek Neighborhood Assn.

Boundaries

North: Walnut Creek
South: Braker Lane
East: Cameron Rd./ Dessau Rd.
West: IH 35

TechRidge Neighbors

Boundaries

North: Parmer lane
South: Walnut Creek
East: Dessau Rd
West: I35

Terrell Lane Interceptor Assn.

Boundaries

North: MoPac Expressway Railroad
South: Onion Creek
East: US Hwy 183
West: Montopolis Drive

Attachment D

Westview Canyon Homeowners Association

Boundaries

North: Wethersby Way
South: Yager Ln
East: Copperfield Dr
West: Donovan Cir

Windsor Hills Neighborhood Assn.

Boundaries

North: Floradale Drive to Applegate Drive
South: East Rundberg Lane
East: Dessau Road/ Cameron Road
West: Middle Fiskville Road

Yager Planning Area

Boundaries

North: Howard Lane
South: Braker Lane
East: Dessau Road
West: North Lamar Boulevard

Return to Community Registry

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P.O. Box 1088, Austin, TX 78767 (512) 974-2000

Attachment E

Joe McLaughlin

From: Joe McLaughlin [jmclaughlin@tmg-housing.com]
Sent: Tuesday, March 24, 2009 12:01 PM
To: 'Almon, Brian'
Subject: RE: Malibu Apartments
Attachments: HTC 2009 Round Memo Mayor-Council 031709.pdf

Brian,

Here is a resolution sent to the City Council. Can you call Royce Mulholland at 646-246-3217 about the schedule? Thanks.

Joe

From: Almon, Brian [mailto:Brian.Almon@puc.state.tx.us]
Sent: Tuesday, March 24, 2009 11:51
To: Joe McLaughlin
Subject: RE: Malibu Apartments

Joe,
Thanks for the information. Do you have more information on the meeting at the Malibu Apartments and with the City?

Brian

From: Joe McLaughlin [mailto:jmclaughlin@tmg-housing.com]
Sent: Monday, March 23, 2009 4:53 PM
To: Almon, Brian
Cc: 'Royce Mulholland'; 'Sarah Andre'; 'Sarah Anderson'
Subject: Malibu Apartments

Hello Brian,

Thanks again for getting back to us so quickly. I have attached some information that will give you an overview of our company and some information on one of our previous projects.

As I mentioned on the phone, Royce Mulholland is currently in Austin to meet with the Resident's Council of the Malibu Apartments and with the City Council on Thursday. We would love to have you sit in on either/or both of those meetings if possible. Alternatively, maybe you can coordinate a one on one with some time over the next few days. I have Cc'd Royce on this email as well as Sarah Anderson and Sarah Andre, both of whom are working with us on this project. Additionally, Royce's cell number is 646-246-3217.

We look forward to speaking with you after you have reviewed the materials.

Cheers,

Joseph McLaughlin

Director of Acquisitions

TMG Housing, LLC

Attachment E

212-661-5015

www.tmg-housing.com

Attachment E

City of Austin

Neighborhood Housing and Community Development
P.O. Box 1088, Austin, TX 78767 -1088
(512) 974-3100 • Fax (512) 974-3112 • www.cityofaustin.org/housing

Date: February 17, 2009

To: Mayor and Council

From: Margaret R. Shaw, Director
Neighborhood Housing and Community Development

Subject: 2009 Housing Tax Credit Applications

The purpose of this memorandum is to provide background on the Texas Department of Housing and Community Affairs (TDHCA) process for awarding Low Income Housing Tax Credits and recommend how the City can support applications for developments in Austin.

Background. Each year affordable rental housing developers have the opportunity to apply to TDHCA for tax credits, which are a valuable financing tool in developing affordable rental units. TDHCA allocates credits on a regional basis and applicants compete within those regions – Austin is in Region 7. Pre-applications were submitted in January to TDHCA for nine proposed properties in Austin. Applicants must notify local elected officials of their intention to apply. Mayor Wynn's office forwards these letters to Neighborhood Housing and Community Development (NHCD), which acknowledges the notice and informs applicants of the appropriate NHCD program contact.

As anticipated, when final and complete applications were publicly released last week, there was significant attrition from the original list. Attached is the TDHCA log of all applications in Region 7. (The two Buda developments were awarded 2009 tax credits last fall by the TDHCA Board as "forward commitments.") Only three of the nine pre-applicants submitted full applications, and a fourth application in Leander appeared which currently scores higher than two of the three Austin applications. All of the Austin applications requested funding from the City. The following list summarizes the competitive applications in Region 7 with description of the development and their current score:

Malibu Apartments 177 Score
Location: 8600 N. Lamar Blvd – 2 miles from the North Lamar TOD Station
Developer: The Mulholland Group
Total Units: 476 of which 428 will serve low-income individuals and families
Income Levels Served: 5% at 30% MFI, 40% at 50% MFI, 45% at 60% MFI, 1% at 80% MFI and 9% will be market-rate rents.
Affordability Period: 40 years

The City of Austin is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

Belmont Senior Village (Leander) 174 Score
Location: Leander

M Station 173 Score
Location: 2906 E. MLK Jr. Blvd (within the MLK TOD)
Developer: Foundation Communities
Total Units: 148 of which 142 will serve low income individuals and families
Income Levels Served: 10% at 30% MFI, 50% at 50% MFI, 30% at 60%, 5% at 80% MFI and 5% will be market rate
Affordability Period: 40 years

Wildflower Terrace 173 Score
Location: Berkman Dr. & Tom Miller Street (in Mueller Redevelopment Area)
Developer: DMA Development Company
Total # of Units: 201 of which 171 will serve low-income elderly residents.
Income Levels Served: 13% at 30% MFI, 30% at 50% MFI, 42% at 60% MFI and 15% will be market-rate rents.

Based on the estimated credits available, it is likely that only one application in the region will be awarded 2009 tax credits. A second application from Region 7 may be "forward funded" from TDHCA's 2010 credits at the discretion of TDHCA's Board. Any forward funding of credits reduces the following year's credits for the region.

2009 Scoring Criteria. The competition among applicants within a region is based on a variety of scoring criteria. One is leveraging local funding, proven by documenting that the proposed rental property has applied for funding from a local political subdivision. Applicants do not need to receive the commitment of City funds until after the tax credit awards are made by TDHCA in late July. Thus, no official Council action is required before that funding award. Whether a deal is funded or not is determined at the final July TDHCA Board meeting and is often decided by one point. Over the next three months, TDHCA staff will review the applications and scores can -- and often do -- change by the July TDHCA Board meeting. Thus, competition is fierce.

Recommendation. Staff recommends no action by Council that favors one applicant over another. Such an approach ensures that the City:

- aligns its funds and supports applications that receive tax credits;
- does not alienate potential development partners, and
- does not choose between needs or core values (number of low income units provided, income levels provided, location, preservation of affordability, amount of City subsidy required, etc.).
- does not set a precedent whereby applicants will work directly with Council offices, not NHCD, to seek funding for tax credit or other affordable housing applications.

Given the program's history, it is also important to avoid the perception of favoritism or preferential treatment in the local process. Texas' Housing Tax Credit program has been under intense scrutiny for many years due to misuse by a former TDHCA Board Member, select staff and some members of the development community that ultimately ended in a

The City of Austin is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

criminal indictment and prison term for the Board member. The Legislature and the reconstituted TDHCA Board of Directors worked diligently to create a new allocation process that forces applicants to compete objectively through a point-driven process.

Predicting the outcome of TDHCA scoring at this early stage is extremely difficult. Applications often are withdrawn due to a variety of factors and may lose points when TDHCA staff begins to underwrite applications and verify submissions throughout the spring. However, all four applicants in Region 7 are experienced, long-time participants in the tax credit process and it is unlikely any of these applicants will lose points during the evaluation process.

Proposed timeline for tax credit awards

January/February:	Applicants must notify elected officials (Mayor, County Judge, State Officials) of intentions to seek tax credits. The Mayor's office forwards these to NHCD which sends a letter notifying applicant of appropriate contact.
March:	NHCD reviews final log of applications. Staff will provide letters of confirmation that applicant has applied for City funding.
Early June:	Take all HTC applications for GO bond financing to Housing Bond Review Committee.
July/August	AHFC Board takes action on any Rental Housing/GO Bond Financing applications.
July 30/31:	TDHCA approves tax credit applications
Mid-August:	Evidence of commitment of local funds due to TDHCA

Please contact me at 974-3184 if I may provide additional information.

Cc: Marc Ott
Anthony Snipes

Attachment: TDHCA Region 7 Housing Tax Credit Log, March 13, 2009

The City of Austin is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

Attachment F

Joe McLaughlin

From: Eleanor Langsdorf [elangsdo@yahoo.com]
Sent: Thursday, April 02, 2009 1:27 PM
To: Joe McLaughlin
Subject: RE: FW: Malibu Apartments/ North Austin Civic Association

Joe,

Meeting with Royce is possible. A conference call tomorrow is not. Sorry.

Eleanor Langsdorf
512-873-0480

--- On **Thu, 4/2/09, Joe McLaughlin** ***<jmclaughlin@tmg-housing.com>*** wrote:

> From: Joe McLaughlin <jmclaughlin@tmg-housing.com>
> Subject: RE: FW: Malibu Apartments/ North Austin Civic Association
> To: elangsdo@yahoo.com
> Cc: "'Royce Mulholland'" <rmulholland@tmg-housing.com>
> Date: Thursday, April 2, 2009, 10:35 AM
>
> Eleanor,
>
> Thanks for getting back to me and sorry for the miscommunication about the meeting. Royce Mulholland will be back down in the coming weeks and I would like to set-up an appointment to meet with you, if that is possible? Additionally, we can set-up a conference call tomorrow if you like?
>
> Please let me know what you think.
>
> Cheers,
>
> Joe McLaughlin
>
> ---
>
> **From:** Eleanor Langsdorf [mailto: elangsdo@yahoo.com]
> **Sent:** Wednesday, April 01, 2009 23:13
> **To:** Joe McLaughlin
> **Subject:** Re: FW: Malibu Apartments/ North Austin Civic Association

Attachment F

Mr. McLaughlin,

I did receive your phone calls and messages, but not until after the hearing. At this point I have no objection to your plan but i really know little about your company beyond the material you provided. As I understand what you sent there is a process which is being followed and that your company has received a favorable rating as of the date of the meeting.

Eleanor Langsdorf
512-873-0480

--- On **Wed, 3/25/09, Joe McLaughlin** ***<jmclaughlin@tmg-housing.com>*** wrote:

From: Joe McLaughlin <jmclaughlin@tmg-housing.com>
Subject: FW: Malibu Apartments/ North Austin Civic Association
To: elangsdo@yahoo.com
Cc: "'Royce Mulholland'" <rmulholland@tmg-housing.com>, "'Sarah Andre'" <sarah@s2adevelopment.com>, "'Sarah Anderson'" <sarah@sarahandersonconsulting.com>
Date: Wednesday, March 25, 2009, 10:14 AM

Dear Mrs. Lansdorf,

By way of introduction, I am Joseph McLaughlin and I work with TMG-Housing, LLC. We are currently under contract to purchase and re-develop the Malibu Apartments at 8600 North Lamar Boulevard . The City of Austin originally gave us Mr. Anthony Williams as the contact person for your organization, thus we were originally trying to contact him. (See below) When he responded back to us yesterday he informed us that he was no longer the President of the North Austin Civic Association and gave us the website where we found your name. So please consider the following regarding our proposed project.

Attached is a resolution sent to the City Council regarding our proposed re-development of the Malibu Apartments at 8600 North Lamar Boulevard in Austin . I have also attached an Overview of TMG Housing, LLC along with some articles done on one of our previous re-development projects

Royce Mulholland, the President and CEO of TMG Housing, LLC is currently in Austin to meet with the Resident's Council of the Malibu Apartments and with the City Council on Thursday. We would love to have you sit in on either/or both of those meetings if possible. Alternatively, maybe you can coordinate a one on one with Mr. Mulholland some time over the next few days. I have Cc'd Royce on this email as well as Sarah Anderson and Sarah Andre, both of whom are working with us on this project. Additionally, Royce's cell number is 646-246-3217.

We look forward to speaking with you after you have reviewed the materials. Royce Mulholland may call you directly at 512-873-0480 today as time is of the essence with the City Council meeting tomorrow evening.

Attachment F

Cheers,

Joseph McLaughlin

Director of Acquisitions

TMG Housing, LLC

212-661-5015

www.tmg-housing.com

From: Joe McLaughlin [mailto:jmclaughlin@tmg-housing.com]
Sent: Tuesday, March 24, 2009 13:51
To: ' williams762@earthlink.net '
Subject: Malibu Apartments/ North Austin Civic Association

Dear Mr. Williams,

I tried to contact you last Thursday, March 19 and left a voicemail, but I haven't heard back from you. I tried again this afternoon and left you another voicemail. Attached is the information that I promised on the voicemail.

Here is a resolution sent to the City Council regarding our proposed re-development of the Malibu Apartments at 8600 North Lamar Boulevard in Austin . I have also attached an Overview of TMG Housing, LLC along with some articles done on one of our previous re-development projects

Royce Mulholland, the President and CEO of TMG Housing, LLC is currently in Austin to meet with the Resident's Council of the Malibu Apartments and with the City Council on Thursday. We would love to have you sit in on either/or both of those meetings if possible. Alternatively, maybe you can coordinate a one on one with Mr. Mulholland some time over the next few days. I have Cc'd Royce on this email as well as Sarah Anderson and Sarah Andre, both of whom are working with us on this project. Additionally, Royce's cell number is 646-246-3217.

Attachment F

We look forward to speaking with you after you have reviewed the materials.

Cheers,

Joseph McLaughlin

Director of Acquisitions

TMG Housing, LLC

212-661-5015

www.tmg-housing.com

Attachment F

Joe McLaughlin

From: ADWilliams [williams762@earthlink.net]
Sent: Tuesday, March 24, 2009 6:13 PM
To: Joe McLaughlin
Subject: Re: Malibu Apartments/ North Austin Civic Association

Hello Mr. McLaughlin,

I am no longer the president of the North Austin Civic Association. You will want to contact the new leadership there. Their contact info. can be found at: www.main.org/naca.

Good luck to you and the project!

Anthony Williams

-----Original Message-----
From: Joe McLaughlin
Sent: Mar 24, 2009 12:50 PM
To: williams762@earthlink.net
Subject: Malibu Apartments/ North Austin Civic Association

Dear Mr. Williams,

I tried to contact you last Thursday, March 19 and left a voicemail, but I haven't heard back from you. I tried again this afternoon and left you another voicemail. Attached is the information that I promised on the voicemail.

Here is a resolution sent to the City Council regarding our proposed re-development of the Malibu Apartments at 8600 North Lamar Boulevard in Austin. I have also attached an Overview of TMG Housing, LLC along with some articles done on one of our previous re-development projects

Royce Mulholland, the President and CEO of TMG Housing, LLC is currently in Austin to meet with the Resident's Council of the Malibu Apartments and with the City Council on Thursday. We would love to have you sit in on either/or both of those meetings if possible. Alternatively, maybe you can coordinate a one on one with Mr. Mulholland some time over the next few days. I have Cc'd Royce on this email as well as Sarah Anderson and Sarah Andre, both of whom are working with us on this project. Additionally, Royce's cell number is 646-246-3217.

We look forward to speaking with you after you have reviewed the materials.

Cheers,

Joseph McLaughlin

Director of Acquisitions

TMG Housing, LLC

212-661-5015

www.tmg-housing.com

Attachment G

Michael O'Donnell

From: Joe McLaughlin [jmclaughlin@tmg-housing.com]
Sent: Tuesday, March 24, 2009 4:00 PM
To: 'Royce Mulholland'; 'Sarah Andre'; 'Sarah Anderson'
Cc: 'Laurie Gordon'; 'Michael O'Donnell'
Subject: FW: Malibu Apartments/ Austin Northwest Association

See Ms. Teeter's response below.

From: Sarah Teeter [mailto:smwjwt@yahoo.com]
Sent: Tuesday, March 24, 2009 15:57
To: Joe McLaughlin
Subject: Re: Malibu Apartments/ Austin Northwest Association

Mr. McLaughlin, I have no interest one way or the other.
Sarah

--- On **Tue, 3/24/09, Joe McLaughlin** ***<jmclaughlin@tmg-housing.com>*** wrote:

> From: Joe McLaughlin <jmclaughlin@tmg-housing.com>
> Subject: Malibu Apartments/ Austin Northwest Association
> To: smwjwt@yahoo.com
> Date: Tuesday, March 24, 2009, 12:56 PM
>
> Dear Ms. Teeter,
>
> I tried to contact you last Thursday, March 19 and left a voicemail, but I haven't heard back from you. I tried again this afternoon and left you another voicemail. Attached is the information that I promised on the voicemail.

Here is a resolution sent to the City Council regarding our proposed re-development of the Malibu Apartments at 8600 North Lamar Boulevard in Austin . I have also attached an Overview of TMG Housing, LLC along with some articles done on one of our previous re-development projects

Royce Mulholland, the President and CEO of TMG Housing, LLC is currently in Austin to meet with the Resident's Council of the Malibu Apartments and with the City Council on Thursday. We would love to have you sit in on either/or both of those meetings if possible. Alternatively, maybe you can coordinate a one on one with Mr. Mulholland some time over the next few days. I have Cc'd Royce on this email as well as Sarah Anderson and Sarah Andre, both of whom are working with us on this project. Additionally, Royce's cell number is 646-246-3217.

We look forward to speaking with you after you have reviewed the materials.

Cheers,
Joseph McLaughlin
Director of Acquisitions
TMG Housing, LLC
212-661-5015
www.tmg-housing.com

NONE AT THE TIME OF THIS POSTING

NONE AT THE TIME OF THIS POSTING

REPORT ITEMS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Memorandum

To: Michael Gerber

From: Gordon Anderson

cc: Tim Irvine, Michael Lyttle

Date: July 9, 2009

Re: TDHCA Outreach Activities

The attached document highlights outreach activities on the part of TDHCA staff for June 2009. The information provided focuses primarily on activities Executive and staff have taken on voluntarily; however, also included are mandated activities such as TEFRA and tax credit public hearings. This list may not account for every activity undertaken by staff, as there may be a limited number of events not brought to my attention.

For brevity sake, the chart provides the name of the event, its location, the date of the event, division(s) participating in the event, and an explanation of what role staff played in the event. Should you wish to obtain additional details regarding these events, I will be happy to provide you with this information.

TDHCA Outreach Activities, June 2009

A compilation of activities designed to increase the awareness of TDHCA programs and services or increase the visibility of the Department among key stakeholder groups and the general public

Event	Location	Date	Division	Purpose
Statewide Homebuyer Education "Training the Trainer" Workshop	Austin	June 1-5	Homeownership	Training
Statewide Homebuyer Education Post-Purchase Counseling Workshop	Austin	June 1-5	Homeownership	Training
Weatherization Assistance Program NOFA Workshop	San Antonio	June 3	Community Affairs	Training
First Thursday Income Eligibility Training	Austin	June 4	Portfolio Management & Compliance	Training
Hurricane Ike Funding Presentation/City of Houston	Houston	June 4	Executive, Disaster Recovery, Policy & Public Affairs	Presentation
Mariposa at Reed Road Grand Opening	Houston	June 4	Executive	Presentation, Participant
Weatherization Assistance Program NOFA Workshop	Dallas	June 8	Community Affairs	Training
Neighborhood Stabilization Program Roundtable	Austin	June 11	NSP	Public Hearing
Texas Association of Realtors Training	Austin	June 23	Homeownership	Training
Housing Trust Fund Roundtable	Austin	June 24	HOME	Public Hearing
Housing Tax Credit Exchange Program Roundtable	Austin	June 24	Multifamily	Public Hearing
LIHEAP 2010 Draft State Plan	Austin	June 26	Community Affairs	Public Hearing
Brownsville Homebuyer Fair	Brownsville	June 27	Homeownership	Exhibitor
Manufactured Housing Licensing Education Class	Austin	June 29	Manufactured Housing	Training

HOME PROGRAM DIVISION

REPORT ITEM

July 16, 2009

Report Item

Presentation of the current HOME Fund Balance Report.

Fund Balance Report

The HOME Fund Balance Report is prepared monthly and is the Department's internal tracking of available balances of HOME funds that are not yet committed in HUD's accounting system of record. As required in the Department's rule regarding deobligated funds (10 TAC §1.19), the Department must not retain a balance of deobligated funds that exceeds 15% of the most current annual allocation of HOME funds. This means that when the Fund Balance Report bottom line exceeds roughly $6 million, the department, by rule, must update the funding plan to re-program excess funds. Deobligations and expired Notices of Funding Availability (NOFAs) that are undersubscribed are the biggest reason for reprogramming funds. Deobligated funds are those that have been voluntarily or involuntarily returned from an individual project address or an awarded contract from a Contract Administrator. The reconciliation process of deobligated funds was updated in September 2007 and introduced a reconciliation of deobligated funds for specific set-asides for Disaster, Persons with Disabilities, American Dream Downpayment Initiative (ADDI) and Contract for Deed Conversion.

The beginning balance of this report is the previous month's total HOME funds that are available to commit in HUD's accounting system known as Integrated Disbursement Information System (IDIS). This total includes funds that have not been committed to a Contract Administrator, which includes funds that are still available in active NOFAs, deobligated funds and program income received. The top section of the report provides a monthly reconciliation of activities that affect the Department's balance with HUD and ends with the balance of the current month's total HOME funds available in IDIS.

The report then further separates this available IDIS balance into two categories of funds – Community Housing Development Organization (CHDO) funds and non-CHDO funds. As you will note, CHDO funds are presented first since this set-aside is a federal mandate which requires that the Department spend a minimum of 15% of its funds with CHDOs. The use of non-CHDO funds would be curtailed if this 15% minimum is not met, therefore staff must ensure an over-commitment of CHDO funds and a pipeline of committed CHDO awards.

The CHDO and non-CHDO categories are further segmented into federal and programmatic set-asides and active NOFAs reflecting how they are currently programmed. Some deobligated funds are required to be reserved to be reprogrammed for specific set-asides, namely CHDO (required by HUD), Disaster, Persons with Disabilities, American Dream Downpayment Initiative (ADDI) and Contract for Deed Conversion set-asides and these are reflected in a separate column.

Finally, the Fund Balance Report provides a grand total of HOME funds available for programming after the mandated set-asides, Board-approved but not yet committed awards (awards that do not have executed contracts or commitments in IDIS), and funds set aside in active NOFA's have been considered. The current report reflects $6,101,321 available for programming at this time. Additionally, since the preparation of this fund balance report staff has processed approximately $2,000,000 in deobligated funds, which will increase the funds available for programming by $2,000,000. After analysis of the subscription rate of various active NOFAs, staff is making recommendations for the programming of this balance and a portion of the deobligated funds in an action item later today.

The Department has received and executed the 2009 Funding Approval and Grant Agreement from the U.S. Department of Housing and Urban Development (HUD), which includes $43,933,530 for the Department's Program Year 2009 allocation of the HOME Investment Partnerships Program. These funds are not included in this Fund Balance Report since they have not yet been included in IDIS. To actively manage the Department's funds and to ensure that HUD funding levels and deadlines are met, staff is making recommendations today in separate action items to program the 2009 funds as well as the available balance of HOME funds in this report.

HOME FUND BALANCE REPORT

As of June 15, 2009

		Total
Total Available Balance in IDIS on May 15, 2009 [1]		**$37,130,402.73**
Committed since last report		($7,338,073.00)
Program Income received since last report		$237,938.24
Deobligated since last report		$3,864,294.88
Total Available Balance in IDIS on June 15, 2009 [1]		**$33,623,474.68**

CHDO (Community Housing Development Organization) Funds

		Uncommitted	Reserved Deobligated	Total
Available Balance in IDIS		$0.00		$0.00
Programmatic Set-Asides:				
2007 CHDO Operating Funds[2]	($255,602.00)			$0.00
2008 CHDO Operating Funds[2]	($248,324.00)			$0.00
Colonia Model Subdivision Program		($2,000,000.00)		($2,000,000.00)
Open Notices of Funding Availability (NOFA's):				
Awards approved by the Board but not committed in IDIS yet		$0.00		$0.00
2008 Open Cycle CHDO NOFA $5.9 Million (expires April 30, 2009 and increase $370,618 from 2007 NOFA)		($2,337,106.00)		($2,337,106.00)
Total CHDO Funds Available for Programming:		**($4,337,106.00)**		**($4,337,106.00)**

Non-CHDO (Community Housing Development Organization) Funds

	Uncommitted	Reserved Deobligated	Total
Available Balance in IDIS	$30,698,194.13	$2,925,280.55	$33,623,474.68
Programmatic Set-Asides:			
Disaster Set-Aside	($1,250,000.00)	($2,100,000.00)	($3,350,000.00)
American Dream Downpayment Initiative (ADDI)	($528,911.00)	($219,387.00)	($748,298.00)
Contract for Deed Set-Aside	$0.00	($605,893.55)	($605,893.55)
Persons with Disabilities Set-Aside ($429,659.00 must be used for NON-PJ)	($433,162.00)	$0.00	($433,162.00)
Open Notices of Funding Availability (NOFA's)/Board-Approved Awards:			
Awards approved by the Board but not committed in IDIS yet	($4,333,090.00)		($4,333,090.00)
Amendment approved by board but not committed in IDIS yet	($1,306,910.00)		($1,306,910.00)
Contract for Deed NOFA $9.2 Million (approved by Board May 8, 2008 and expires May 1, 2009)	($7,280,000.00)		($7,280,000.00)
2008 RHD NOFA $5 Million (approved by board June 26, 2008 and expires April 30, 2009; increase of $5 million approved by board December 18, 2008)	($3,723,768.00)		($3,723,768.00)
2008 Single Family Persons with Disabilities NOFA 1.5 Million (approved by board September 4, 2008 and expires May 29, 2009)	($900,000.00)		($900,000.00)
Total Non-CHDO Funds Available for Programming:	**$10,438,427.13**		**$10,438,427.13**
Grand Total of HOME Funds Available for Programming: [3]	**$6,101,321.13**		**$6,101,321.13**

1 This amount does reflect the Program Year 2009 HOME allocation. Of the available balance, the cumulative program income to-date is $27,382,969.64.

[2] CHDO Operating funds are non-chdo funds used for CHDO projects.

[3] Since September 2007, the Department has deobligated a total of $23,227,009.00 in completed, terminated or expired contracts. Additionally, $5,025,000 in HOME funds were declined from the 2007 awards. This includes $4,500,000 in OCC awards and one RHD award of $525,000. The remaining funds available for programming are cumulative program income and deobligations that occurred prior to September 2007 and have not yet been reprogrammed. This also includes $1,141,981.00 of increases to active contracts.

Below is a brief status on the activities listed on the Fund Balance Report for which HOME funds have been programmed or reserved:

- **2007 and 2008 CHDO Operating Funds.** These funds equate to 5% of the annual set-aside for CHDO projects. As awards are made to CHDO's, a portion of these funds is reserved to award to the organization for CHDO operating expenses and is based on the amount the CHDO is eligible for, requests and is approved by the Board as part of the award of the CHDO project funds. When it is determined that these funds have not been utilized, they are returned to the total amount of non-CHDO funds available.
- **Colonia Model Subdivision Program**. On May 21, 2009, the Board approved the availability of the funding for this program in the Colonia Model Subdivision and Single Family Development Program Community Housing Development Program (CHDO) NOFA. The total amount available under this NOFA includes the $2 million balance from this report and the $1 million set-aside for this activity from the 2009 allocation. Due to delays in receiving the 2009 HUD allocation this NOFA has not yet been released. Staff is presenting the revision to timelines in this NOFA in a separate action item today.

- **2008 Community Housing Development Organization (CHDO) Rental Housing Development (RHD) NOFAs**. The 2008 NOFA expired on April 30, 2009 and over $14.2 million in requests are being reviewed for possible award recommendations at the July 30, 2009 board meeting.
- **Disaster Set-Aside**. While only approximately $2 million (5% of the annual allocation from HUD) is required to be reserved for disasters pursuant to the Department's rule on deobligated funds (10 TAC §1.19(e)(1)), the Disaster Set-Aside currently includes an additional amount from uncommitted 2007 Single Family funds, as approved by the Board in August 2007 and additional funds reserved last year for a total Board directed reservation including both uncommitted and deobligated funds of $3.3 million. Staff is recommending the approval of two awards, totaling $1 million, for disaster relief in a separate action item today which would bring the total down to just above the 5% minimum.
- **American Dream Downpayment Initiative (ADDI).** ADDI is a separate allocation of HOME funds received by the Department to provide downpayment and closing cost assistance to eligible first-time homebuyers. Through the open cycle Homebuyer NOFA released in January 2008, all funds have been awarded, including over $2 million in deobligated funds that due to federal requirement must be committed to this type of activity.
- **Contract for Deed Set-Aside**. In May 2008, the Board approved the release of the Contract for Deed Conversion Program NOFA, which made available a total of $9.2 million in funding for the conversion of contracts for deeds to traditional mortgage and/or the rehabilitation or reconstruction of housing units. The amount available in the NOFA included the balance of $4 million from 2006 and 2007, the reserved but then deobligated balance of $3.2 million from prior years and the $2 million set-aside from the 2008 HOME allocation. The NOFA expired on May 1, 2009. Four applications were received and approved for award recommendations resulting in a remaining balance of $7,280,000. In a separate action item, staff is presenting a 2009 Contract for Deed Conversion Program NOFA which makes available $2 million of the 2009 HUD allocation. Staff is proposing to reserve $2 million of the prior balance for possible oversubscription to this 2009 NOFA but, in order to meet HUD commitment and expenditure deadlines, is requesting that $5,280,000 be made available for programming to other activities due to the low subscription rate for this activity.
- **Persons with Disabilities Set-Aside.** This set-aside reflects a balance of approximately $433,162 in uncommitted funds remaining from the 2008 RHD Persons with Disabilities NOFA which expired October 3, 2008. Of this amount, $429,659 was made available for non-PJ use and $3,503 for PJ. No applications were received for funds restricted to non-PJ use and this balance is made available in the 2009 Single Family Persons with Disabilities NOFA being presented in a separate action item today.
- **2008 Rental Housing Development (RHD) NOFA**. As with the CHDO RHD NOFAs, the 2008 RHD NOFA expired on April 30, 2009 and over $45 million in requests are being reviewed for possible award recommendations at the July 30, 2009 board meeting. Staff is continuing to review applications received in response to this NOFA. In separate action items presented today, staff is recommending approximately $3 million in awards under this NOFA and the transfer of $6.5 million in funds available, including the entire available balance reflected and a portion of the deobligations processed, to this NOFA in response to the significant oversubscription.
- **2008 Single Family Persons with Disabilities NOFA.** This NOFA expired May 29, 2009 and two award recommendations are being presented in a separate action item

today. As mentioned above, the 2009 Single Family Persons with Disabilities NOFA is also being presented today and includes the uncommitted funds available and the undersubscribed balance from the 2008 Single family Persons with Disabilities NOFA.

MULTIFAMILY FINANCE PRODUCTION DIVISION

EXECUTIVE DIRECTOR'S REPORT ITEM

July 16, 2009

Action Item

Presentation and Discussion of Challenges Made in Accordance with §49.17(c) of the 2009 Qualified Allocation Plan and Rules (QAP) Concerning 2009 Housing Tax Credit (HTC) Applications.

Requested Action

Report item for Board review.

Summary

The Department allows unrelated parties to an application to submit challenges against any application pursuant to §49.17(c) of the 2009 Qualified Allocation Plan and Rule (QAP). A challenge may pertain to any part of the application including but not limited to eligibility, selection (scoring) and threshold. Staff reviews the challenge and submits a request to the applicant for a response to the challenge. Staff researches both sides of the challenge and makes a determination of appropriate resolution to the challenge. A summary of the challenge and of the resolution is provided in the Challenge Status Log and is published on the Department's website.

The attached table titled, **Status Log of 2009 Competitive Housing Tax Credit Challenges Received as of June 18, 2009** ("Status Log")**,** summarizes status of the challenges received on or before June 18, 2009. The challenges were made against Applications in the 2009 Application Round. Behind the Status Log, all imaged challenges are provided in project number order.

All challenges are addressed pursuant to §49.17(c) of the 2009 QAP, which states, "the Department will address information or challenges received from unrelated entities to a specific 2009 active Application, utilizing a preponderance of the evidence standard, in the following manner, provided the information or challenge includes a contact name, telephone number, fax number and e-mail address of the person providing the information or challenge:

(1) Within 14 business days of the receipt of the information or challenge, the Department will post all information and challenges received (including any identifying information) to the Department's website.
(2) Within seven business days of the receipt of the information or challenge, the Department will notify the Applicant related to the information or challenge. The Applicant will then have seven business days to respond to all information and challenges provided to the Department.
(3) Within 14 business days of the receipt of the response from the Applicant, the Department will evaluate all information submitted and other relevant documentation related to the investigation. This information may include information requested by the Department relating to this evaluation. The Department will post its determination summary to its

website. Any determinations made by the Department cannot be appealed by any party unrelated to the Applicant."

Please note that a challenge is not eligible pursuant to this section if it is not made against a specific active 2009 HTC Application. If an Application is no longer active because the Development has been awarded tax credits by the Texas Department of Housing and Community Affairs' (the "Department") Board, challenges relating to the awarded/inactive Application are not eligible under this section.

To the extent that the Applicant related to the challenge responds to the eligible challenge(s), point reductions and/or terminations could possibly be made administratively. In these cases, the Applicant will be been given an opportunity to appeal pursuant to §49.17(b) of the 2009 QAP, as is the case with all point reductions and terminations. To the extent that the evidence does not confirm a challenge, a memo will be written to the file for that Application relating to the challenge.

The table attached reflects a summary of all such challenges received and determinations made as of June 18, 2009.

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/19/2009	09138	Belmont Senior Village	Walter Moreau, Foundation Communities, Inc.	Challenge regarding points awarded to the Application under §49.9(i)(16)(F), Developments Located in an Urban Core. The basis of the challenge as reflected in the challenge documentation is: the Application was awarded 4 points for this, requiring that the location of the proposed development site be in an area that meets the definition of Urban Core as described in §49.3(105) of the 2009 QAP. Classifying the proposed site in the Application as Urban Core defies the intent of the definition's inclusion in the 2009 QAP. The proposed site is an undeveloped parcel of farmland surrounded on three sides by other parcels of undeveloped land. Granting the Urban Core points to a site in Leander completely negates the competitive balance that was being offered by §49.9(i)(16)(F) to deals located in true Urban Cores.	**Analysis:** Per §49.3(105) of the QAP, Urban Core is defined as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district." Staff has reviewed the documents submitted with the challenge, as well as the Applicant's response and documents from the Planning and Zoning section of the City of Leander's website. Page 19 of the Composite Zoning Ordinance states that "the City of Leander is hereby divided into composite zoning districts, which contain a use component, a site component, and an architectural component…Each composite district, consisting of three components, is considered a discrete and unique zoning district." The proposed site is zoned Multifamily (use), Type 3 (site), Type A (architectural), and is itself a "discrete and unique zoning district" that does not meet the requirements of the QAP. It is noted that Local Commercial is a permitted use within the district, provided that the use "not be located in stand alone buildings but shall be seamlessly integrated with multifamily units." The proposed development does not include such a use. **Resolution:** The Department evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and determined that the Application is not eligible for points under §49.9(i)(16)(F), Developments Located in an Urban Core. The Applicant appealed staff's determination, and the staff's determination was reversed on appeal. The points will be awarded to the Applicant.

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/26/2009	09138	Belmont Senior Village	Janine Sisak, DMA Development Company, LLC	Challenge regarding points awarded to the Application under §49.9(i)(16)(F), Developments Located in an Urban Core. The basis of the challenge as reflected in the challenge documentation is: the Application was awarded 4 points for this, requiring that the location of the proposed development site be in an area that meets the definition of Urban Core as described in §49.3(105) of the 2009 QAP. The City of Leander does not meet the "Urban" aspect of the definition because of its population is less than 25,000 and its distinctly rural character. Moreover, the area the Applicant defined as an "Urban Core" is not "compact" as it contains more than 2,500 acres. Most importantly, the area defined by the Applicant is not an area in which "90% of land not in public ownership is zoned to accommodate medium or high density residential and commercial uses *within the same zoning district*." The area defined by the Applicant clearly contains several zoning districts-a Planned Unit Development, General Commercial, Light Industrial, Single Family rural, to name a few. The area also fails the definition because it does not contain 90% of land zoned to accommodate medium or high density.	**Analysis:** Per §49.3(105) of the QAP, Urban Core is defined as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district." Staff has reviewed the documents submitted with the challenge, as well as the Applicant's response and documents from the Planning and Zoning section of the City of Leander's website. Page 19 of the Composite Zoning Ordinance states that "the City of Leander is hereby divided into composite zoning districts, which contain a use component, a site component, and an architectural component…Each composite district, consisting of three components, is considered a discrete and unique zoning district." The proposed site is zoned Multifamily (use), Type 3 (site), Type A (architectural), and is itself a "discrete and unique zoning district" that does not meet the requirements of the QAP. It is noted that Local Commercial is a permitted use within the district, provided that the use "not be located in stand-alone buildings but shall be seamlessly integrated with multifamily units." The proposed development does not include such a use. **Resolution:** The Department evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and determined that the Application is not eligible for points under §49.9(i)(16)(F), Developments Located in an Urban Core. The Applicant appealed staff's determination, and the staff's determination was reversed on appeal. The points will be awarded to the Applicant.

Date Challenge Received	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/27/2009	09159	Malibu Apartments	Walter Moreau, Foundation Communities, Inc.	Challenge regarding points awarded to the Application under §49.8(d)(3), Pre-Application Threshold Criteria and Review, and §49.9(h)(8)(A)(i), Certifications of Notifications. The basis of the challenge as reflected in the challenge documentation is: The Applicant is required to request a list of Neighborhood Organizations on record with the county and state whose boundaries include the proposed Development Site from local elected officials. The City of Austin confirmed that the Applicant requested the list on December 8, 2008, and the City of Austin sent a response and neighborhood list to the Applicant on that same day. However, in the Pre-Application, the Applicant claims they did not receive a reply back form the City of Austin by January 1, 2009. The Applicant has a basic responsibility to determine if a neighborhood organization exists that they should contact. The Applicant knew about the existence of the North Austin Civic Association at both the pre-application and full application stage, but for some reason chose not to notify the organization.	**Analysis:** Per §49.8(d)(3)(A) and §49.9(h)(8)(A) of the 2009 QAP, the Applicant must list all Neighborhood Organizations on record with the county or state whose boundaries include the proposed Development Site as provided by the local elected officials, **or that the Applicant has knowledge of as of Pre-Application or Application Submission**. Staff has reviewed the documentation included in the challenge as well as the Applicant's response. Staff has determined that the Applicant did have knowledge of at least one Neighborhood Organization whose boundaries included the Development site prior to the submission of the Pre-Application and Application. Staff has further determined that the Applicant incorrectly certified that the Applicant knew of no neighborhood organizations within whose boundaries the Development is proposed to be located and failed to disclose the contact information for the North Austin Civic Association to the Department. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that the Pre-Application and Application failed to meet the notification requirements of the QAP. A notice of termination was sent to the Applicant. The appeal of termination is pending.

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
5/27/2009	09159	Malibu Apartments	Walter Moreau, Foundation Communities, Inc.	Challenge regarding financial feasibility and underwriting. The basis of the challenge as reflected in the challenge documentation is: The scoring and underwriting cannot be correct given the glaring omission of required ADA interior unit renovations, as well as potential related issues with asbestos remediation and tenant relocation. In order to receive housing funds form the City of Austin, the project will be required to fully renovate 10% of the units to be wheelchair/mobility accessible. TDHCA rules also require that a certain percentage of units be renovated to comply with ADA, Section 504 laws and other rules. Neither the renovation budget in the Physical Condition Assessment or the overall development application budget include any money for required interior unit ADA renovation. The total cost of the ADA renovations should also take into consideration potential asbestos abatement and tenant relocation.	**Analysis:** The challenge refers to no particular section of the QAP. After review of the challenge and the Applicant's response, staff has determined that the Applicant has taken all of the issues raised into account in preparing the Application. Should underwriting prove the project to be infeasible, staff will not recommend an award of tax credits for the Development. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that no action is required.

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/10/2009	09166	Goldshire Townhomes	Donald J. Dobesh, Jr., Vice President, Village of Oak Lake Subdivision HOA	Challenge regarding legal ability of the Seller of the property for this Development to do business in Texas. The basis of the challenge as reflected in the challenge documentation is: The Seller of the property, SHR Invests, Inc., forfeited its charter on August 3, 2007 and should not be representing itself as a corporation to do business in the State of Texas.	**Analysis:** Per §49.9(h)(9) of the 2009 QAP, the Applicant, Development Owner, Developer, Guarantor, or any entity shown on an organizational chart that has ownership interest in the Development Owner, Developer, or Guarantor must provide documentation of authority to do business in Texas from the Texas Secretary of State. There is no requirement in the 2009 QAP that the Seller of the property have such authority. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that no action is required**. Note that this application has been withdrawn.**

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/12/2009	09163	Tremont Apartment Homes	Michael Hartman, Roundstone Development, LLC	Challenge regarding application scoring for QCP. The basis of the challenge as reflected in the challenge documentation is: The authorized representative of the Bacon Ranch Road Property Owners Association does not live within the boundaries of the organization. Owners of 7 of the 22 properties located within the organization's boundaries have no knowledge of the organization and never agreed to participate in the organization. The Neighborhood Organization's boundaries were not in effect as of February 27, 2009 because the owners of seven properties located within the boundaries had no knowledge of the organization and had not agreed to join. Further, the applicant did not disclose the Bacon Ranch Road Property Owners Association in his Pre-Application and certified that he knew of no Neighborhood Organizations within whose boundaries the proposed development site was to be located. The Application should be disqualified for this omission.	**Analysis:** §49.9(i)(2) of the 2009 QAP has no requirement that the authorized representative for the Property Owners Association live within the boundaries of the organization. Further, the QAP does not require that every property owner within the boundaries of the organization be a member of the organization. Both the Developer and the representative of the Property Owners Association attest that the Developer had no knowledge of the formation of the organization. There is no evidence to the contrary which would suggest that the Applicant did not answer correctly on the submitted Certification of Notifications forms. In the process of determining that the two owners mentioned in the challenge were not members of the organization, staff determined that the one property owner who created the Property Owners Association is the only member. The QAP requires that the organization be "composed of persons living near one another within the organization's defined boundaries." The organization does not meet this QAP requirement. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that the Bacon Ranch Road Property Owners Association does not meet the definition of a Neighborhood Organization and is ineligible for QCP. The points for QCP will not be awarded to the Applicant. An updated scoring Notice will be issued. The Applicant may appeal this determination.

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/13/2009	09166	Goldshire Townhomes	Loree Conrad, Resident, Sugarland, Texas	Challenge regarding the legal name of the one of the owners for the Application. The basis of the challenge as reflected in the challenge documentation is: Navdip S. Sobti, listed as the contact for the Application, legally changed his name to Neal Singh on January 18, 2008. Neal Singh is listed as one of the development owners. Both names are used throughout the Application.	**Analysis:** The legal name change was effective on January 18, 2008. Per item number 11 of the Decree Granting Name Change of Adult that was provided to the Department by the challenger, "Pursuant to Section 45.104 of the Texas Family Code, the change of name granted in this Order does not release the petitioner from any liability incurred in the petitioner's previous name; nor does it defeat any right the petitioner may have in his previous name." Our reviews for material and financial compliance will include a review of both names used by the Mr. Singh. Should our reviews for material and financial compliance reveal delinquencies under the name Navdip Singh Sobti or Neal Singh, those compliance issues will be addressed at that time. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that no action is required. **Note that this application has been withdrawn.**

Challenge Received Date	TDHCA #	Development Name	Challenger	Nature and Basis of Challenge	Status
6/15/2009	09127	Sage Brush Village	Max Schleder, Principal, ST Ventures, LLC	Challenge regarding the validity of the neighborhood organization that submitted in support of the application. The basis of the challenge as reflected in the challenge documentation is: the Key West Senior Village Neighborhood Association appears to be a Resident Council and the relationship between the individual writing the support letter and the developer of the proposed development is suspicious. In their QCP submission, the organization selected "Other" and did not designate the type of organization. The signer of the submission, Ms. Faye Biggers, identified herself in different ways in different parts of the submission and stated her address as that of the Key West Senior Village apartment community, which was TDHCA #00023. The Applicant, Randy Stevenson, is the same as that of the Key West Senior Village II, TDHCA #07151/08092. Ms. Biggers submitted a letter of support for that development as well. In 2006, Ms. Biggers submitted a QCP letter in support of application #060140, Key West Senior Village II, as a representative for the Key West Neighborhood Association.	**Analysis:** The Department has reviewed the QCP submission for the application. In 2007, the Key West Neighborhood Association submitted eligible QCP documentation for application #07151. In that documentation, they identified themselves as a "Resident Neighborhood Association" with Faye Biggers as the President. In 2009, the same organization submitted QCP documentation as the Key West Senior Village Neighborhood Association, with Faye Biggers as "Pres[ident] Resident Board." Although Ms. Biggers entered "Elected to be Rep at Key West Senior Village" in the space designed for type of organization, it is clear that this is an existing organization previously described as a Resident Neighborhood Association. In their 2009 submission, the organization submitted a map and written boundaries. In response to staff's deficiency notice, Ms. Biggers updated the written boundaries to be consistent to the map. As submitted, the map provided boundaries that include the development site. The boundaries of the organization were in place as of February 27, 2009, as per the QAP requirement. Staff found no evidence of a suspicious relationship between the Developer and Ms. Biggers. The proposed site is within the boundaries of Ms. Biggers' Neighborhood Organization. **Resolution:** The Department has evaluated the challenge pursuant to the methodology outlined in §49.17(c) of the 2009 QAP and has determined that no action is required.

Rec'd TDHCA 5/19/2009

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creating housing where families succeed

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May 18, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Urban Core Points under Section 49.9(i)(16)(F) for Application Number 09138

Dear Ms. Meyer:

Please accept this letter as a challenge to points applied for by application #09138 under section *49.9(i)(16)(F) Development Location* of the *2009 Qualified Allocation Plan* (QAP). The applicant claims four points for the proposed site meeting the qualifications of QAP Section 49.9 (i)(16)(F); however the proposed site does not meet the definition of "Urban Core" as defined in QAP Section 49.3(105). Application #09138 should not be granted the four points available under Section 49.9(i)(16)(F).

Classifying the location of the proposed site in application #09138 as "urban core" defies the intent of the definition's inclusion in the 2009 QAP and fails to meet the most basic aspect of the word. Merriam-Webster defines urban as "of, relating to, characteristic of, or constituting a city" and core is defined as "a central and often foundational part usually distinct from the enveloping part by a difference in nature <the core of the city>." The proposed site is an undeveloped parcel of farmland surrounded on three sides by other parcels of undeveloped land. Only the northern border of the property abuts developed land, but it is a single family sub-division and can hardly be considered "urban" or "core", as defined above.

Officials from the cities of Fort Worth, El Paso and Austin worked very hard to get language included in the 2009 QAP that would help level the playing field for development in urban areas. In past years, the number of affordable housing developments in the core cities has decreased dramatically due to higher acquisition costs and higher construction costs for parking and density requirements. At the same time, projects located in suburban areas around these cities have flourished due to cheaper land and lower density. Granting the "urban core" points to a site in Leander completely negates the competitive balance that was being offered by Section 49.9 (i)(16)(F) to deals located in the true urban cores of Fort Worth, El Paso and Austin.

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There is no doubt that the City of Leander is trying to create a well-planned, suburban community as evidenced by the adoption of their unique Composite Zoning Ordinance in 2007. However, even the City of Leander admits that it is a "suburban area" as taken from a summary publication explaining the new ordinance: (http://www.leandertx.org/pdfs/CompositeZoningGeneralPublication.pdf): "Leander, Texas is a burgeoning satellite city with about 20,000 residents northwest of Austin. The area was mainly rural when the city was incorporated in 1978. Today, it's a typical bedroom community, albeit a rapidly growing one." The City of Leander is still a suburban area on the fringe of the larger city of Austin with a true "urban core."

The City of Leander is trying to provoke thoughtful development around the subdivisions of single family homes that have been built in rapid succession in the area. A site/facility inventory, on the City's website, lists 87 tracts of land available for development. Most of these 11,000 acres of land are unimproved. Please see attached map of inventory along with the tracts of land containing the site (tract 4) and the lots east (tract 2), west (tract 6) and south (tract 3).

Even the applicant describes the project location as a "small town." On page 479 of the application No. 09138, the Affirmative Marketing Plan reads, "The community will appeal to its senior target market because of its superior quality at affordable rental rates and small town living atmosphere, combined with the easy access to the retail and health centers in Leander (Belmont Senior Village is adjacent HEB Plus) and the nearby greater Austin, Round Rock, & Georgetown areas." "Small town" is an antonym for "urban core."

If the proposed site does not even meet the most basic definition of "urban core," it is impossible to meet the definition included in QAP Section 49.3(105) as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district." We challenge the site meeting the QAP definition as follows:

"compact and contiguous geographical area" –The proposed site is not included as part of the PUD overlay given to tracts most adjacent to the new Leander TOD. Admittedly, the site is close, but is not contiguous with any land zoned with the PUD overlay.

"zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district" - The site itself is zoned MF-3-A and is surrounded by tracts zoned light industrial and general commercial – these are three distinct zoning districts. The map included on page 389 of the application has an arbitrary border drawn around an area that includes a lot of land that is zoned with the PUD overlay, but also includes areas with other zoning districts. The site also backs up to a very large subdivision of single family homes which can hardly be considered medium or high density.

As residents of Austin, we are very aware that suburban areas such as Leander have experienced rapid growth, but the area cannot be defined as "urban." Please find attached a photo taken of downtown Leander and compare that with photos of downtown Fort Worth, Austin and El Paso.

Thank you very much for your careful consideration of this challenge.

Sincerely,
Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

Rec'd TDHCA 5/19/2009

By: David H. Hutton, AICP

The Power of Composite:

Shaking Conventions With Conventional Zoning

A city council vote in Leander, Texas, in early September gave the city what could be the nation's first comprehensive composite zoning ordinance. Using a format resurrected from the earliest zoning codes in the U.S., composite zoning offers a flexible, simplified, and innovative method for integrating form-based standards into a traditional Euclidian framework. This method has the potential of creating compatible mixed-use neighborhoods even in a suburban setting.

Context

Leander, Texas is a burgeoning satellite city with about 20,000 residents northwest of Austin. The area was mainly rural when the city was incorporated in 1978. Today, it's a typical bedroom community, albeit a rapidly growing one. With growth comes the promise of new employment opportunities; shopping, dining and housing alternatives; and transportation options including a commuter rail line anchoring a diverse urban Transit Oriented Development (TOD).

At the same time there has been concern about potential negative growth impacts related to incompatible land uses. Some residents worried that the city's zoning ordinance was not up to the task of enabling healthy growth. Over the years, the issue threatened to divide the community.

Status

Like most zoning codes, Leander's ordinance included a compilation of use districts. As problems were encountered with land use incompatibilities, additional use districts were created to more finely define and limit uses. Ultimately this limited the marketability of non-residential property. Over time, overlay districts, special use permits and limited form standards were applied to improve the ability to contextualize zoning rules. With the added zoning layers the ordinance became more complicated, difficult to navigate and inconsistent.

When all else failed, and it is surprising how often this can happen, a Planned Unit Development (PUD) was employed to provide standards more appropriate to the context of the site. PUD's can be effective in addressing contextual issues, but can also be confusing for anyone trying to buy, develop, market, plan, inspect or get loans for real estate. Every PUD is different from every other PUD. To understand them you must research the language of the PUD ordinance itself. The process can last for months, resemble contract zoning, and, like a black hole, be impossible to escape from once you travel beyond its event horizon. With the addition of new staff not familiar with the standards and intent of the PUD's, they become even more difficult to administer. I consider the number of PUD's in a community to be a gauge of the ineffectiveness of their zoning ordinance. That said, a PUD can also be a valuable tool if used in moderation.

Conditional Use Permits are sometimes utilized to provide additional flexibility to a zoning ordinance and establish a process to review certain uses for compatibility within the context of their proposed location. Like a PUD, if used in moderation, they can be a valuable tool. However, they require an additional approval beyond the base zoning and have some of the same drawbacks as PUD's .

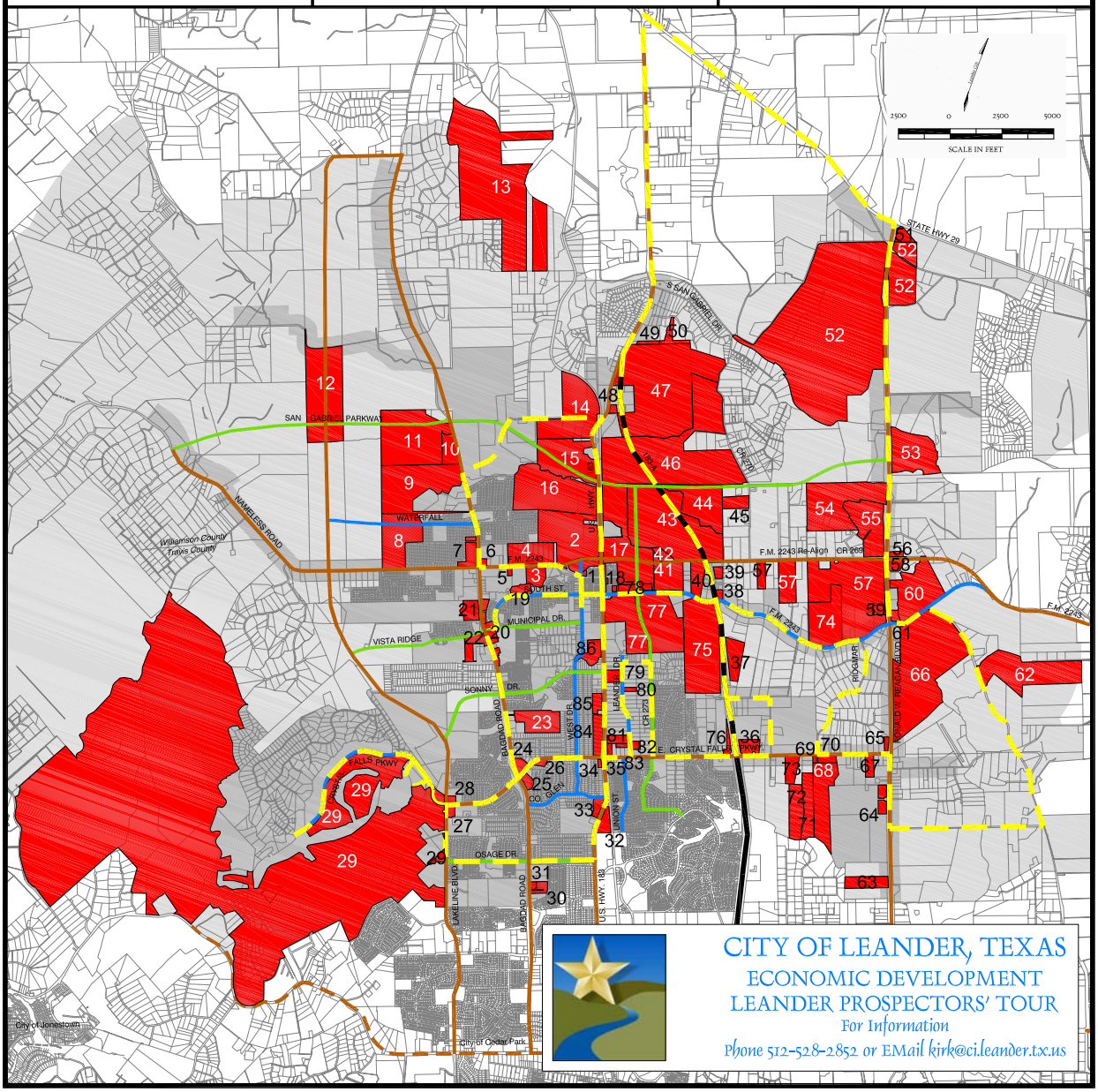
I have seen developers, neighbors, zoning administrators, city councils and zoning commissions alike complain about zoning ordinances. They are criticized as inflexible, too constraining, not constraining enough, too complicated, not able to address contextual issues, not able to protect property values, creating limits to economic development, etc. Weaknesses

ROADWAY PLAN

- TOLLWAY
- MAJOR ARTERIAL
- MINOR ARTERIAL
- PRIMARY COLLECTOR
- TOUR ROUTE
- 1 or 15 — SITE NUMBER
- CITY OF LEANDER-CITY LIMITS
- CITY OF LEANDER E.T.J.

Site Number	Name	Acres
1	Broade Street Properties	1
2	HEB Grocery	155
3	Brown Plaza	19
4	Metropolitan Management	47
5	Sandlin Ventures Development	5
6	NE Corner of Bagdad and Old 2243 West	2
7	Noble Capital	18
8	Hawkes	93
9	Hawkes Property	149
10	Park Village	22
11	Texas X-Park	179
12	Capitol Land Company	186
13	www.480acres.com	480
14	Business Park	131
15	Tylerville	107
16	Michelle	164
17	Leander Transit Village	164
18	East Old Town Properties	5
19	West South Street	10
20	Bagdad and Municipal Drive	22
21	Bagdad Road, North of Vista Ridge	17
22	Commons at Vista Ridge	18
23	Mason Property	52
24	Commons at Crystal Falls	6
25	SE Corner of Bagdad and Crystal Falls	6
26	Oaks on Crystal Falls	3
27	SE Corner of Lakeline Blvd and Crystal Falls Pkwy	4
28	NE Corner of Lakeline Blvd and Crystal Falls Pkwy	3
29	Crystal Falls	5,000
30	Moore Property	12
31	Leander Shopping Center	3
32	Robert Knight	13
33	Reunion Development Group	8
34	Crystal Falls Plaza	1
35	Brannen Property	3
36	Duncan's NE Corner	19
37	Pruett-Pearson Property	17
38	FABCON Products	2
39	Eriksson Property	5
40	FABCON Products	23
41	Franklin House	47
42	Ranch Gate TOD	9
43	Mathis-Beasley	228
44	Higginbotham	89
45	Ervin Property	17

Site Number	Name	Acres
46	Butler-Winters	363
47	Villages of Messina	341
48	Meyer's Property	3
49	Seaman's Property	3
50	Garrett Property	12
51	Ironwood Real Estate	13
52	Wedemeyer	927
53	Lookout Group	93
54	Kittle Hill Airport	105
55	Reunion Development Group	84
56	King Property	4
57	Mahendru and Carlton	283
58	Moore Property	10
59	Bushkuhl Property	6
60	H. K. Ranch	106
61	NE Corner of FM 2243 and Reagan Blvd	5
62	Cannon Ranch	140
63	Summit Properties	27
64	Carlton's Frontage	12
65	Reid Property	3
66	Sarita Valley	323
67	Anderson Tract	10
68	Centex Properties	78
69	Carlton's Corner	1
70	Carlton's Other Corner	7
71	Cluck-Brown Property	40
72	Waley Property	40
73	Asbery Park	17
74	Reunion Development Group	85
75	Leander Crossing	163
76	Bolton Real Estate Services	5
77	Southwestern Property	212
78	Leslie Property	12
79	Midtown Square	12
80	RDG Leander Drive II	3
81	1405 & 1501 Leander Drive	9
82	RDG Leander Drive I	4
83	1503 Leander Drive	2
84	Gateway at Leander	41
85	Starfish Development	9
86	Starfish Development	19
	TOTAL ACREAGE (Varies due to rounding)	11,358



CITY OF LEANDER, TEXAS

ECONOMIC DEVELOPMENT

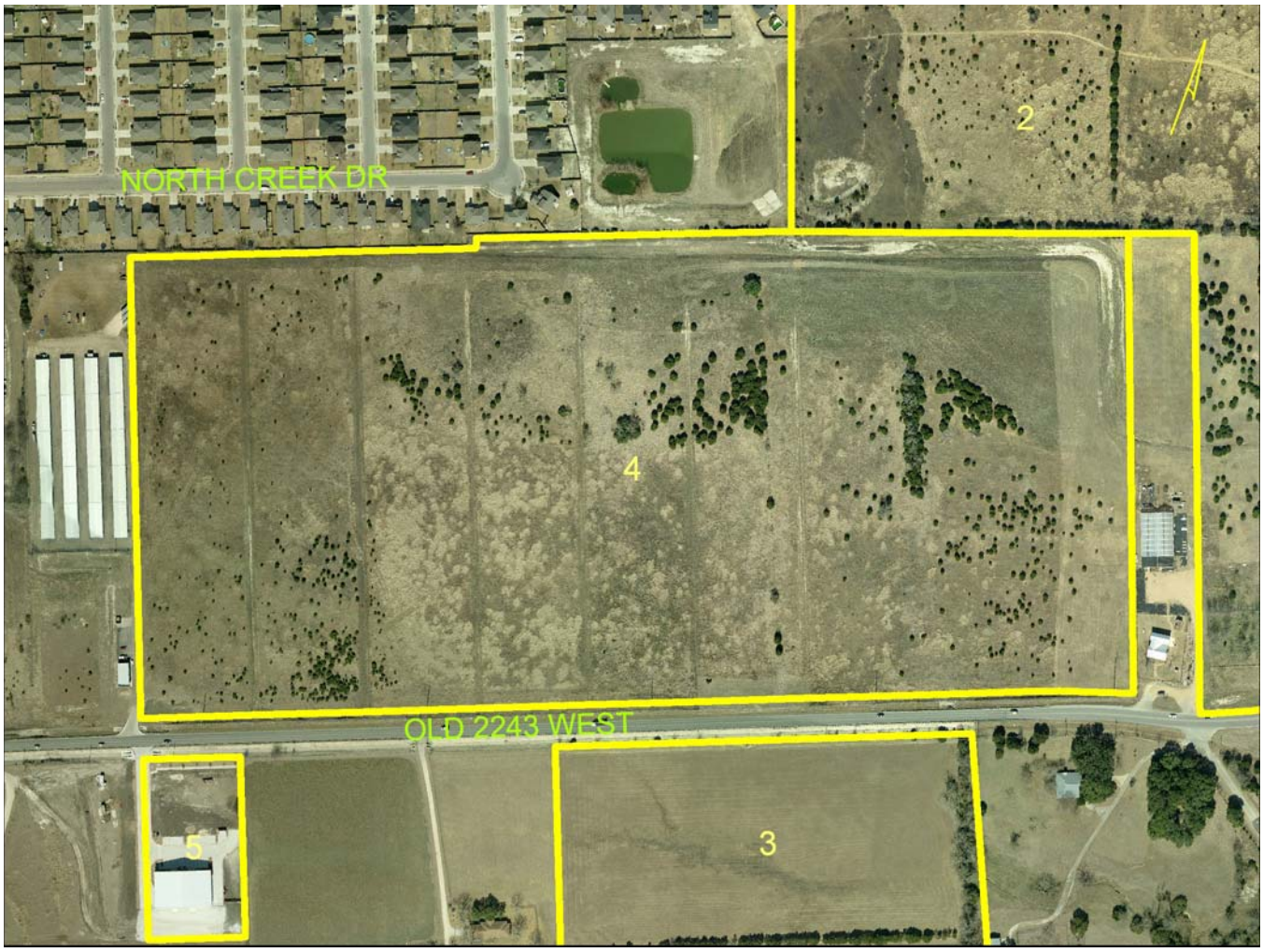
LEANDER PROSPECTORS' TOUR

For Information

Phone 512-528-2852 or EMail kirk@ci.leander.tx.us

Tract 4 contains proposed site in Application #09138 /2009

47 Acres/19 Hectares **Site 04**
2243 Industrial-Commercial Park



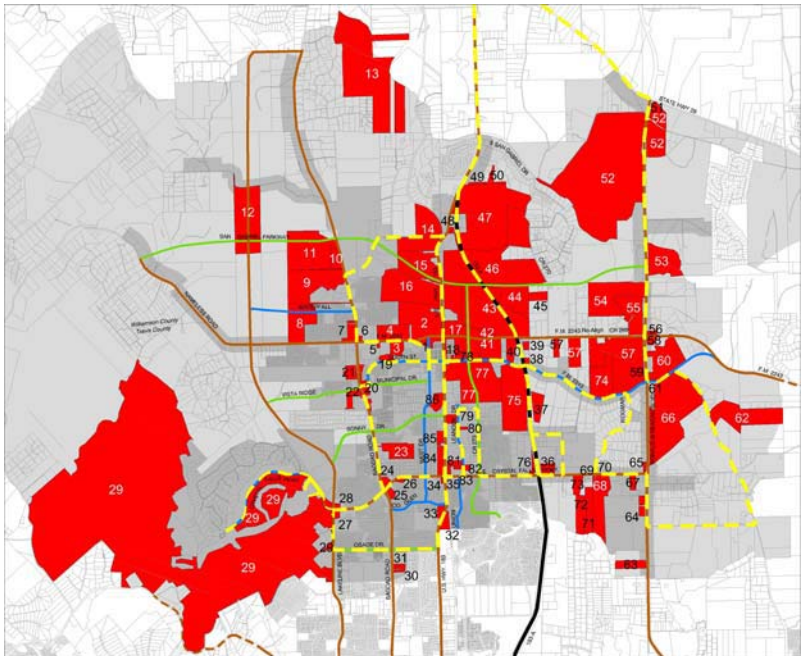
47 acres/19 hectares

US 183 access .6 mile/.9 kilometers east

Utilities

Greenfield

Zoning - Light Industrial



Mr. Doug Duwe
Capitol Land Company
P. O. Box 1944
Austin TX 78767
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512.751.3600 mobile
512.442.8226 facs
dduwe@sbcglobal.net
www.capitolland.com

The information contained herein is from sources deemed reliable, but no guarantee is made or responsibility assumed by the City of Leander Economic Development Department as to its accuracy.

47 Acres/19 Hectares
2243 Industrial-Commercial Park

Site 04

Property

Total Acreage: 47 acres/19 hectares	**Map:** MAPSCO Austin 2006 Street Guide, pgs. 312, Sec. W, X

Location

City: Leander	**County:** Williamson
Address/Directions: Rectangular property immediately west of the 142-acres (57.5 hectares) HEB-Plus grocery anchored site with over 2,100 feet/650 meters of frontage on FM 2243	
Within City Limits: Yes	**Distance from City Limits:** Not Applicable
Distance to US Highways: 3,000 feet/914 meters **Distance to Interstate Highways:** 12 miles/19.3 km	**Type of Zoning:** Light Industrial

General Site Information

Previous Use of Site: Greenfield	**General Condition:** Excellent	**Dimensions:** 2,133 feet/650 meters x 1,024 feet/312 meters
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 8 percent slopes	**Shrink/Swell Capacity:** Moderate to high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete.	
Adjoining Acreage Available: Yes	**Can Site Be Divided:** Yes	**Lot Size:** Negotiable

Improvements

Road Distance to Rail: 3,100 feet/945 meters	**Name of Railroad:** Union Pacific, Southern Pacific and Capital Metro Commuter Rail
Proximity to Port(s): Three (3) hours to Port of Houston	**Other Improvements:** Not Applicable
Fenced: No	**Landscaped:** No
Located within an Industrial Park: No	**Type of Business:** Office/Warehouse and/or Office/Retail
Deed Restriction(s): No	**Covenants:** No

Utilities

City of Leander Services	**Water - Size of Nearest Line:** 12 inch/30.5 cm along FM 2243 **Pressure:** 65 psi/448 kilopascal	**Sewer - Size of Nearest Line:** 10 & 12 inch/25.4 & 30.5 cm along FM 2243 and east of property	
Electric Service: Pedernales Electric Cooperative (PEC)	**Phone:** 888.554.4732	**Facs:** 830.868.5097	**Email:** heather.richardson@peci.com
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy	**Size of Nearest Line:** 4 inch/10.2 cm	**Pressure:** Intermediate Pressure located 250 feet/76.2 meters from the northeast corner at North Creek Drive	
Telecommunication Service: AT&T	**Phone:** 512.870.4430	**Facs:** 512.870.4475	**Email:** tc4713@att.com
Solid Waste Disposal: Clawson Disposal, Inc.	**Phone:** 512.259.1709	**Facs:** 512.746.5807	**Email:** clawsondisp@earthlink.net

Sales Information

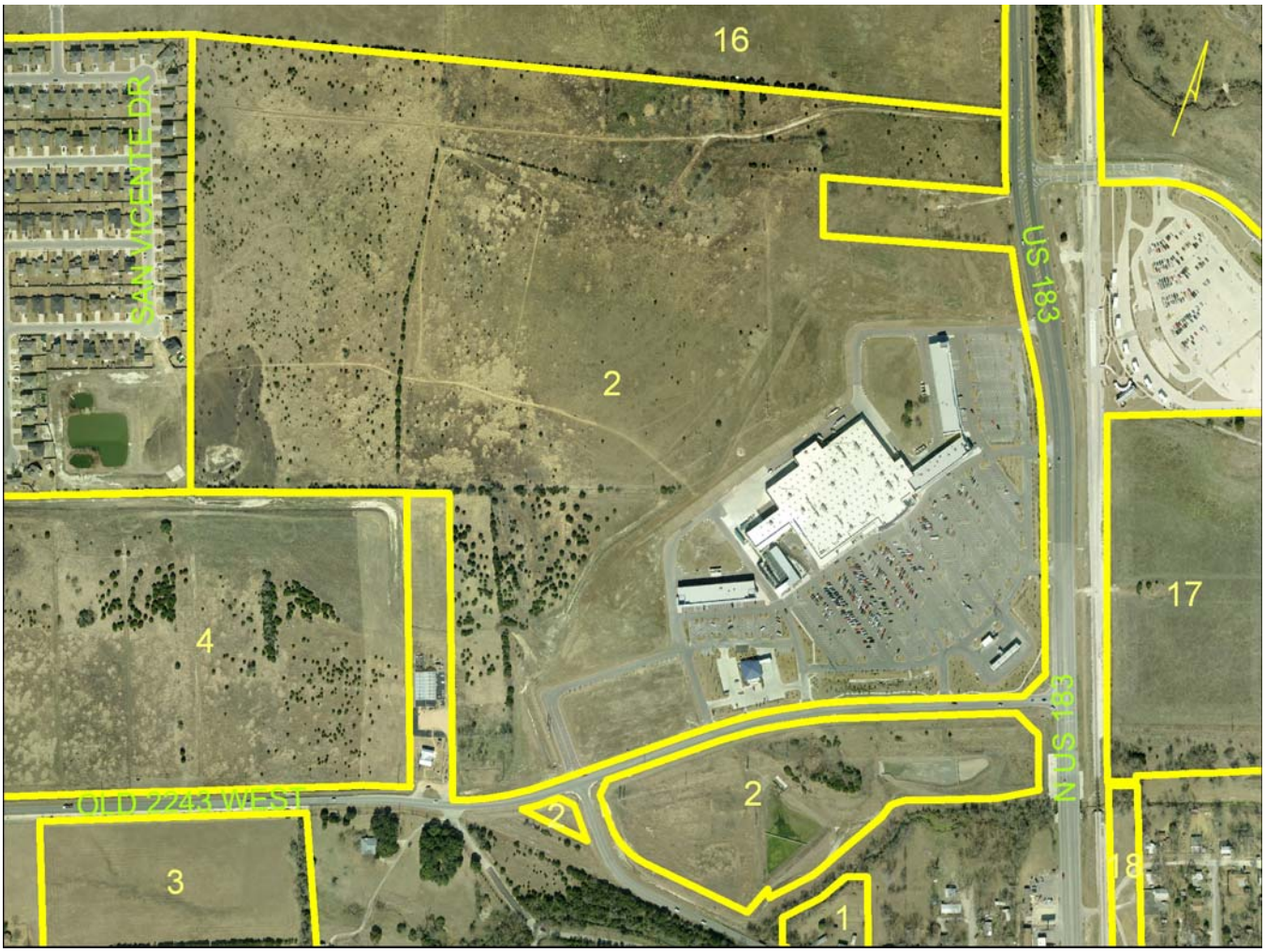
Contact: Mr. Doug Duwe	**Phone:** (512) 472-7002 or (512) 751-3600	**Facs:** (512) 442-8226	**Email:** dduwe@sbcglobal.net	**Web Site:** www.capitolland.com
Sales Price: $2.25 to $3.25 per square foot depending upon size of land		**Lease Price:** Not Applicable		
Comments: Frontage on FM 2243, west of the 142-acres (57.5 hectares) HEB-Plus Grocery, Inc. property. Divisible into 6 acre/2.4 hectares to 47 acres/19 hectares sites. Excellent access in an area poised for growth.				

The information contained herein is from sources deemed reliable, but no guarantee is made or responsibility assumed by the City of Leander Economic Development Department as to its accuracy.

155 Acres/62.7 Hectares
HEB Site

Tract 2 is immediately east of the proposed site

Site 02



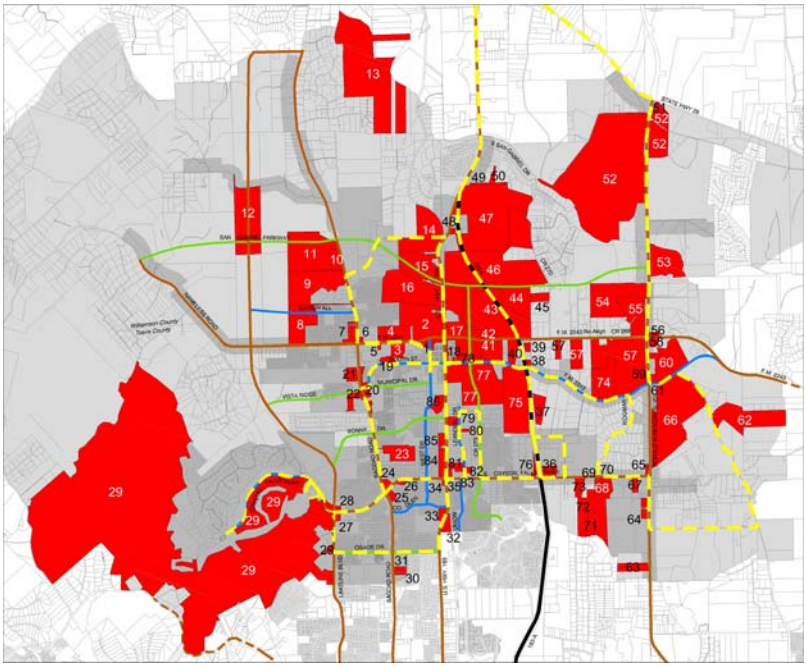
155 acres/62.7 hectares

US 183 frontage east, RR 2243 frontage south

Utilities

250,000 square feet/23,226 square meter retail complex

Zoning - General Commercial



Mr. Brett A. Baker
H-E-B Grocery, Inc.
P. O. Box 839955
San Antonio TX 78283-3955
(210) 938-8290 phone
(210) 938-7788 facs
baker.brett@heb.com
www.hebdevelopment.com

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155 Acres/62.7 Hectares
HEB Site

Site 02

Property

Total Acreage: 155 acres/62.7 hectares	**Map:** MAPSCO Austin 2006 Street Guide, pgs. 312, Sec. T & X

Location

City: Leander	**County:** Williamson
Address/Directions: Northwest corner of US 183 and FM 2243	
Within City Limits: Yes	**Distance from City Limits:** Not Applicable
Distance to US Highways: immediate frontage east **Distance to Interstate Highways:** 11 miles/17.7 kilometers	**Type of Zoning:** General Commercial

General Site Information

Previous Use of Site: Farm Land	**General Condition:** Excellent	**Dimensions:** 2,834 x 2,441 feet/864 x 744 meters
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 8 percent slopes	**Shrink/Swell Capacity:** Moderate with high risk of corrosion for uncoated steel and a low risk of corrosion for concrete	
Adjoining Acreage Available: No	**Can Site Be Divided:** Yes	**Lot Size:** Negotiable

Improvements

Road Distance to Rail: 500 feet/152 meters	**Name of Railroad:** Union Pacific, Southern Pacific, Capital Metro Commuter Rail
Proximity to Port(s): Three (3) hours to Port of Houston	**Other Improvements:** Additional 50,000 square feet (4,645 square meters) in-line retail and eight pad sites
Fenced: Yes	**Landscaped:** Yes
Located within an Industrial Park: No	**Type of Business:** Retail
Deed Restriction(s): Yes	**Covenants:** Yes

Utilities

City of Leander Services	**Water - Size of Nearest Line:** 12 inch/30.5 cm 1-mile/1.6 km west **Pressure:** 60 psi/413.7 kilopascal		**Sewer - Size of Nearest Line:** 18 inch/45.7 cm
Electric Service: Pedernales Electric Cooperative (PEC)	**Phone:** 888.554.4732	**Facs:** 830.868.5097	**Email:** heather.richardson@peci.com
Natural Gas Service: Mr. Will Nabors, ATMOS Energy, (512) 310-3810	**Size of Nearest Line:** 6 inch/15.2 cm Poly II		**Pressure:** Intermediate Pressure located 3,500 feet/1,067 meters south on West South Street
Telecommunication Service: AT&T	**Phone:** 512.870.4430	**Facs:** 512.870.4475	**Email:** tc4713@att.com
Solid Waste Disposal: Clawson Disposal, Inc.	**Phone:** 512.259.1709	**Facs:** 512.746.5807	**Email:** clawsondisp@earthlink.net

Sales Information

Contact: Mr. Brett Baker	**Phone:** 210.938.8290	**Facs:** 210.938.7788	**Email:** baker.bret@heb.com	**Web Site:** www.hebdevelopment.com
Sales Price: $80,000 to $110,000 for pad sites up to ten to fifteen years			**Lease Price:** $22.00 to $27.00 per square foot per year with a five year term	
Comments: Northwest corner of US 183 and FM 2243 catty-corner from the Cap Metro park-and-ride and train station. This beautiful H-E-B Plus Grocery Store located at the intersection of US 183 and FM 2243 opened 23 February 2007. It will serve Leander and the greater northwest area of Austin. The Forum Shopping Center includes 50,000+ square feet (4,645 square meters) of retail shop space. We have targeted a unique blend of retail, service and restaurant tenants to complete the development.				

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Tract 6 is immediately west of the site

5/19/2009

2.69 Acres/1.1 Hectare **Site 06**
NE Corner of Bagdad Road and Old 2243 West

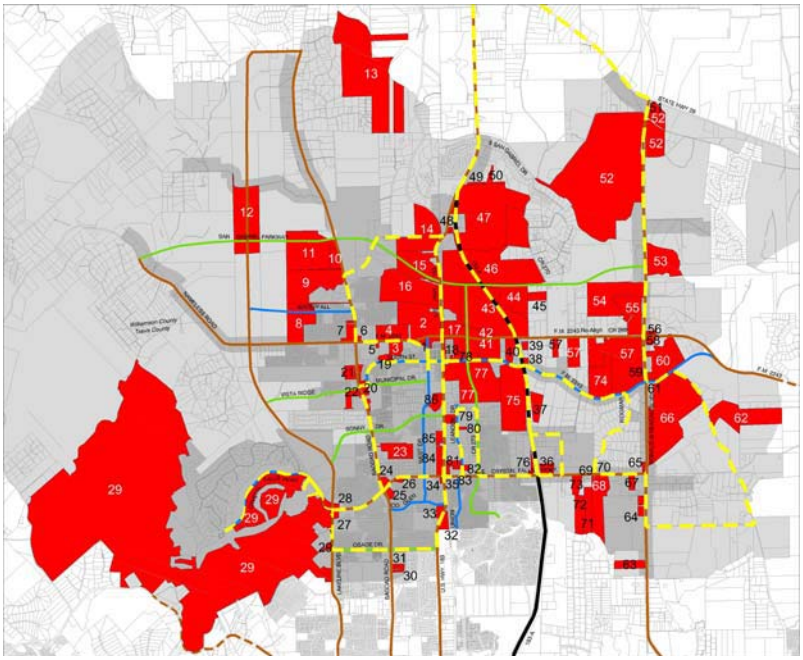
2.69 Acres/1.1 Hectares

US 183 is 3,000 feet/ 914 meters east

Utilities

Greenfield on hard corner

Zoning - General Commercial



Mr. Barney Bigham
Talisman Commercial Realty
P. O. Box 27828
Austin, TX 78755
512.418.4477 phone
512.418.4470 facs
barney@talismangroupinc.com
www.talismangroupinc.com

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2.69 Acres/1.1 Hectare
NE Corner of Bagdad Road and Old 2243 West

Site 06

Property

Total Acreage: 2.69 acres/1.1 hectares	**Map:** MAPSCO Austin 2006 Street Guide, pg. 342, Sec. A

Location

City: Leander	**County:** Williamson
Address/Directions: Northeast corner of Bagdad Road and FM 2243	
Within City Limits: Yes	**Distance from City Limits:** Not Applicable
Distance to US Highways: 3,000 feet/914 meters east **Distance to Interstate Highways:** 14 miles/22.5 kilometers east	**Type of Zoning:** General Commercial

General Site Information

Previous Use of Site: Greenfield	**General Condition:** Excellent	**Dimensions:** 295 x 366 feet/90 x 112 meters (entire site)
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 5 percent slopes	**Shrink/Swell Capacity:** Moderate to high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete	
Adjoining Acreage Available: No	**Can Site Be Divided:** No	**Lot Size:** Negotiable

Improvements

Road Distance to Rail: 4,000 feet/1.2 km east	**Name of Railroad:** Union Pacific, Southern Pacific, Capital Metro Commuter Rail
Proximity to Port(s): Three (3) hours to Port of Houston	**Other Improvements:** Not Applicable
Fenced: No	**Landscaped:** No
Located within an Industrial Park: No	**Type of Business:** Commercial, Retail
Deed Restriction(s): No	**Covenants:** No

Utilities

City of Leander Services	**Water - Size of Nearest Line:** 12 inch/30.5 cm **Pressure:** 88 psi/607 kilopascal		**Sewer - Size of Nearest Line:** 10 inch/25.4 cm
Electric Service: Pedernales Electric Cooperative (PEC)	**Phone:** 888.554.4732	**Facs:** 830.868.5097	**Electric Service:** Pedernales Electric Cooperative (PEC)
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy	**Size of Nearest Line:** 6 inch/15.2 cm Poly II		**Pressure:** Intermediate Pressure located
Telecommunication Service: AT&T	**Phone:** 512.870.4430	**Facs:** 512.870.4475	**Telecommunication Service:** AT&T
Solid Waste Disposal: Clawson Disposal, Inc.	**Phone:** 512.259.1709	**Facs:** 512.746.5807	**Solid Waste Disposal:** Clawson Disposal, Inc.

Sales Information

Contact: Mr. Barney Bigham	**Phone:** 512.418.4477	**Facs:** 512.418.4470	**Email:** barney@talismangroupinc.com	**Web Site:** www.talismangroupinc.com
Sales Price: Negotiable		**Lease Price:** Not Applicable		
Comments: This corner is located at the crossroads of one of the community's busiest intersections next to a 150 employee business. More than 3,000 homes are located in-and-around this corner with the Texas X Park three-quarters of a mile/1.2 km north. An ideal location for neighborhood services on the "coming-home" side of the road.				

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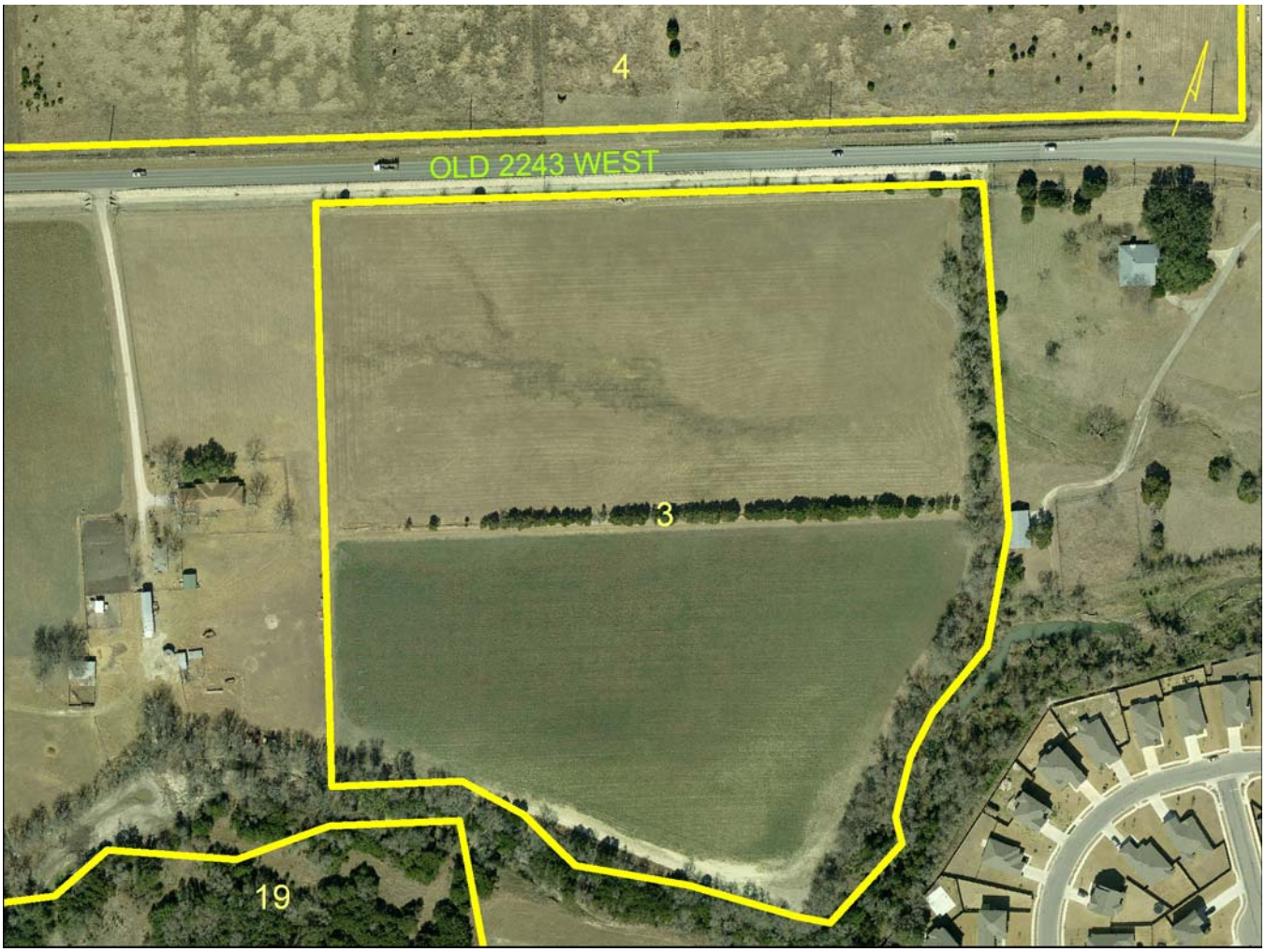
19 Acres/7.7 Hectares
Brown Plaza

Tract 3 is immediately south of the proposed site

Site 03



19 acres/7.7 hectares

US 183 is .57 miles/.9 km east

Utilities

Greenfield

Zoning - Light Industrial

Mr. Hem Ramachandran
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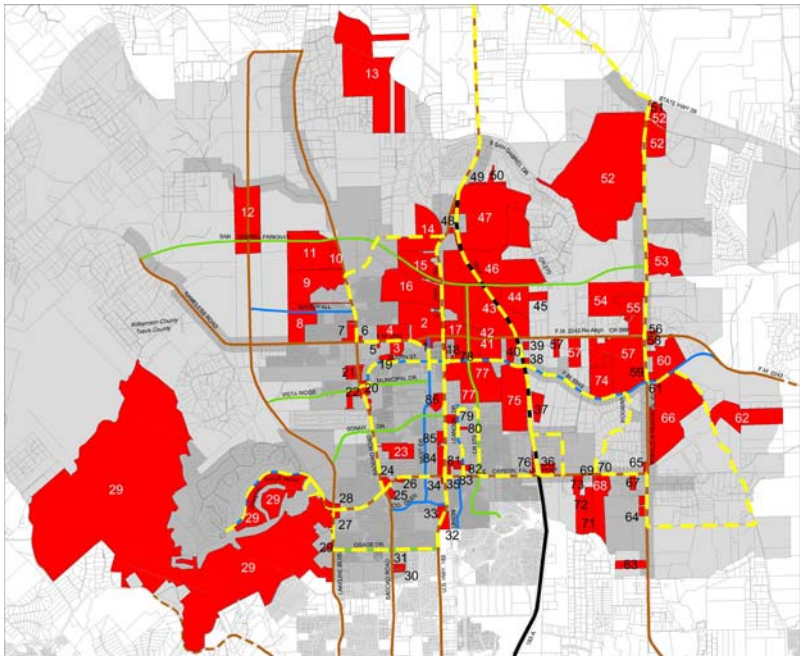
Austin, TX 78746
512.970.6336 mobile
512.524.3856 facs
hemanr@gmail.com
www.indusrealty.homesandland.com



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19 Acres/7.7 Hectares
Brown Plaza

Site 03

Property

Total Acreage: 19 acres/7.7 hectares	**Map:** MAPSCO Austin 2006 Street Guide, pgs. 312 & 342, Sec. X, B

Location

City: Leander	**County:** Williamson
Address/Directions: .57 mile (.9 kilometers) west of the US 183 intersection on the south side of FM 2243	
Within City Limits: Yes	**Distance from City Limits:** Not Applicable
Distance to US Highways: .57 miles (.9 kilometers) east **Distance to Interstate Highways:** 10 miles/16.1 kilometers east	**Type of Zoning:** Light Industrial

General Site Information

Previous Use of Site: Open Farm Land	**General Condition:** Excellent	**Dimensions:** 936 x 811 feet/285 x 247 meters
Soil Composition (based upon USDA, Soil Conservation Service, Soil Survey of Williamson County, Issued January of 1983): Denton-Eckrant-Doss: moderately deep, shallow and very shallow, calcareous, clayey, cobbly, and stony soils formed in indurated fractured limestone or limey earths; on uplands with 1 to 2 percent slopes	**Shrink/Swell Capacity:** Very high with a high risk of corrosion for uncoated steel and a low risk of corrosion for concrete	
Adjoining Acreage Available: No	**Can Site Be Divided:** Yes	**Lot Size:** Negotiable

Improvements

Rail Served: No	**Name of Railroad:** Union Pacific, Southern Pacific, Capital Metro Commuter Rail
Proximity to Port(s): Three (3) hours to Port of Houston	**Other Improvements:** Located SW of the 142-acre (57.5 hectares) HEB-Plus anchored property on one of Leander's major east-west corridors FM 2243.
Fenced: Yes	**Landscaped:** No
Located within an Industrial Park: No	**Type of Business:** Office/Warehouse or Office/Retail
Deed Restriction(s): No	**Covenants:** No

Utilities

City of Leander Services	**Water - Size of Nearest Line:** 12 inches/30.5 cm **Pressure:** 88 psi/607 kilopascal	**Sewer - Size of Nearest Line:** 12 inches/30.5 cm	
Electric Service: Pedernales Electric Cooperative (PEC)	**Phone:** 888.554.4732	**Facs:** 830.868.5097	**Email:** heather.richardson@peci.com
Natural Gas Service: Mr. Will Nabors, 512.310.3810, ATMOS Energy	**Size of Nearest Line:** 6 inch/15.2 cm 550 feet/168 meters east of the site	**Pressure:** Intermediate Pressure at FM 2243 approximately 3,000 feet/914 meters from the site	
Telecommunication Service: AT&T	**Phone:** 512.870.4430	**Facs:** 512.870.4475	**Email:** tc4713@att.com
Solid Waste Disposal: Clawson Disposal, Inc.	**Phone:** 512.259.1709	**Facs:** 512.746.5807	**Email:** clawsondisp@earthlink.net

Sales Information

Contact: Mr. Hem Ramachandran	**Phone:** 512.330.0938	**Facs:** 512.524.3856	**Email:** hemanr@gmail.com	**Web Site:** www.indusrealty.homesandland.com
Sales Price Negotiable		**Lease Price** Not Applicable		
Comments: Very flat, very clean property located catty-corner to the 250,000 square feet (23,226 square meter) HEB-Plus anchored retail center. This site is well served by FM 2243; a major east-west corridor.				

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Belmont Senior Village
AFFIRMATIVE MARKETING PLAN

Introduction

In accordance with the regulations of the HOME Investment Partnership Program and in the furtherance of DDC Belmont, Ltd's, commitment to non-discrimination and equal opportunity in housing; DDC Belmont, Ltd has established the procedures to affirmatively market its programs. The Belmont Senior Village will be located on 12.3 acres in the City of Leander, Williamson County, Texas. The marketing efforts for DDC Belmont, Ltd will stress the major selling points of the community: quality construction, excellent location, spacious and well appointed apartments, and the common area amenities (clubhouse, fitness center, business center, community theater, swimming pool, and senior activities), and the high level of management and maintenance services. This marketing and management plan will always be available for review upon request.

The Property

Belmont Senior Village, a 192-Unit community will offer seventy six (76) one-bedroom, one-bath, forty eight (48) two-bedroom one baths, and sixty eight (68) two bedroom, two baths apartments that will appeal to a broad range of senior residents including income-restricted as well as market rate residents. 87.5% of the total units will be income restricted in accordance with the limits of the Austin MSA median income: seventeen (17) units will be restricted to tenants who earn at or below 30%, one hundred and fifty one (151) will be restricted to tenants earning at or below 50%, and twenty four (24) will be at market rate (of which (3) will be affordable to tenants who earn at or below 80% AMI). The community will appeal to its senior target market because of its superior quality at affordable rental rates and small town living atmosphere, combined with the easy access to the retail and health centers in Leander (Belmont Senior Village is adjacent HEB Plus) and the nearby greater Austin, Round Rock, & Georgetown areas.

Marketing Program

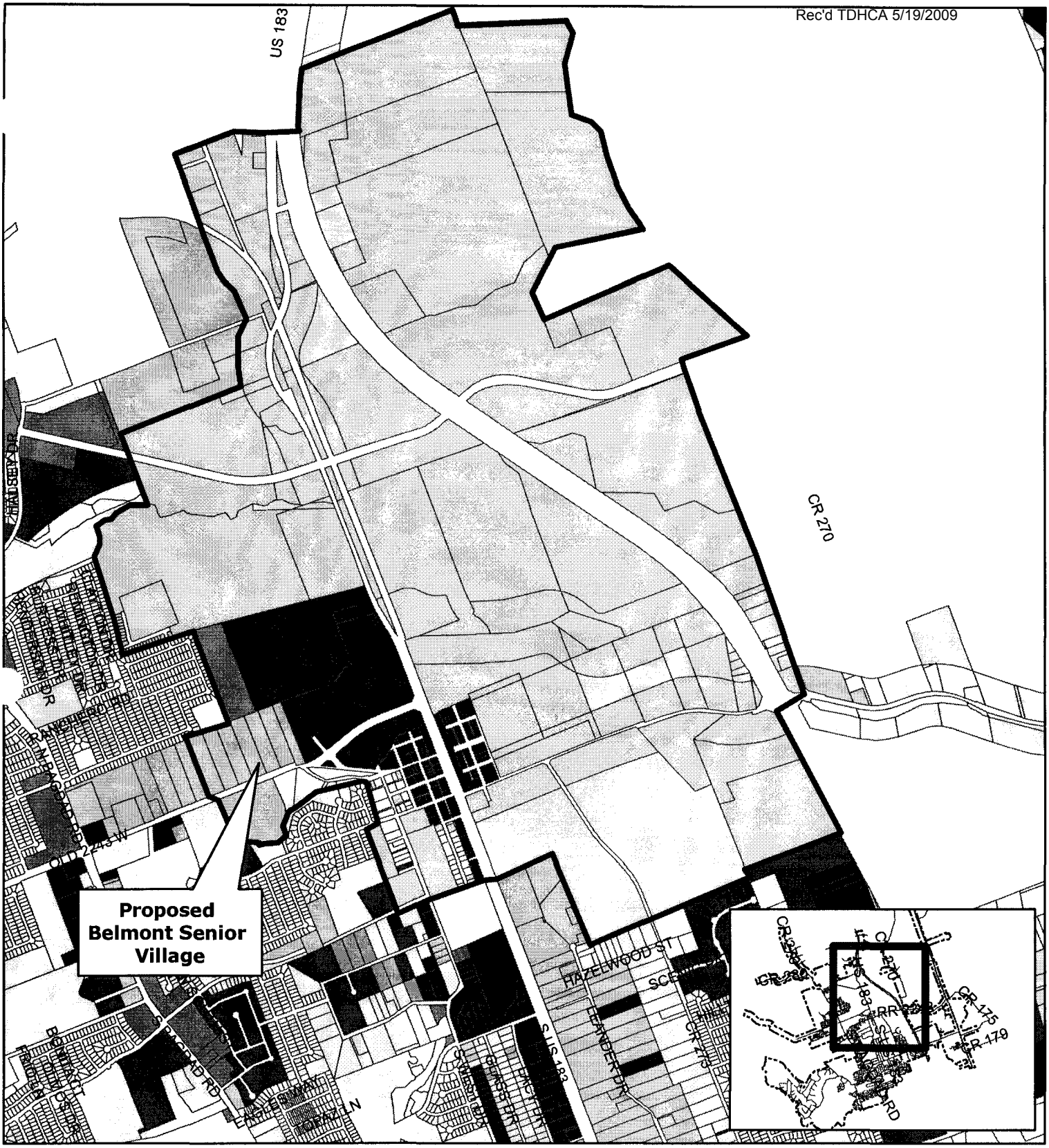
Belmont Senior Village will benefit from Denison Construction & Development and its related entities (Owner and Developer) previous experience in providing quality affordable housing in the greater Austin area. Denison Construction & Development and their Management Agent, UAH Property Management, L.P. have excellent relationships with local advertising media and referral agencies that can provide potential residents for the apartment community.

Prior to construction completion of the first residential building, we will erect a *"Coming Soon"* information sign at the site, providing passers-by with information on the property; identifying it as an affordable rental community with 1 and 2 Bedroom Apartments for Seniors, the Fair Housing Logo and a telephone number (with call notes) that they may contact for additional information. Callers will be *"screened"* for eligibility by UAH Property Management, L.P., and an active "interest" list will be maintained.

We will have property brochures available for mailing to all interested parties. In addition, an introductory letter and brochures will be sent to the area's major employers, senior-oriented organizations, service organizations, the Chamber of Commerce, and various housing and other assistance agencies in Leander and the surrounding communities, including the greater Austin area.

A written statement informing prospective tenants that the development is operating under a written affirmative marketing plan and a written management plan as well as local, state and federal fair housing and antidiscrimination laws, including Texas and federal fair housing acts and Texas Government Code, and that the operations are under the oversight of the Texas Department of Housing and Community Affairs will be displayed in the leasing office.

Rec'd TDHCA 5/19/2009



CITY OF LEANDER

Urban Core

N
W E
S

0 900 1,800 2,700 3,600

Feet

Zoning

SFR	SFL	LC
SFE	SFT	GC
SFS	SFU MH	LI
SFU	TF	HI
SFC	MF	PUD
	LO	

Rec'd TDHCA 5/19/2009

PHOTO COMPARISON OF LEANDER TO URBAN CORES

Downtown Leander

Downtown Fort Worth

Downtown Austin

Downtown El Paso

DMA DEVELOPMENT COMPANY, LLC

May 22, 2009

Ms. Robbye Meyer
Director of Multifamily Production
Texas Department of Housing & Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge on Award of Urban Core Points for Application No. 09138

Dear Ms. Meyer:

This letter challenges points awarded to TDHCA # 09138 under Section 49.9(i)(16)(F) ("Development Location") of the 2009 Qualified Allocation Plan ("QAP"). The site location for this application is not located in an "Urban Core" as defined in Section 49.3(105) of the QAP, and therefore TDHCA incorrectly awarded this Application 4 points for the Development Location scoring criteria.

Urban Core is defined as "A compact and contiguous geographical area that is composed of adjacent block groups in which at least 90 percent of the land not in public ownership is zoned to accommodate a mix of medium or high density residential and commercial uses within the same zoning district."

Here, the site is located in the City of Leander. The City of Leander does not meet the "Urban" aspect of this definition because of its population less than 25,000 and its distinctively rural character. Moreover, the area that the Applicant defined as an "Urban Core" is not "compact" as it contains more than 2,300 acres. Most importantly, however, the area defined by the Applicant is not an area "in which 90% of land not in public ownership is zoned to accommodate medium or high density residential and commercial uses *within the same zoning district.*" Typically, this refers to a mixed use zoning designation or a Planned Unit Development. When considering the map that the Applicant submitted, <u>but in color</u>, the area defined by the Applicant clearly contains several zoning districts—a Planned Unit Development, General Commercial, Light Industrial, Single Family Rural, to name a few. (The City of Leander Zoning Map is attached in color.) This fact alone makes the area fail the "Urban Core" definition.

The area also fails the definition because it does not contain 90% of land zoned to accommodate medium or high density. The Transect Map for the Leander Transit Oriented District Planned Unit Development ("TOD"), attached, which makes up the majority of the Applicant-defined area, clearly shows that less than 90% of the TOD permits medium or high density residential and commercial uses. Indeed, the "Conventional Zone" in the northeast quadrant and the adjacent T3 Zone makes up at least 30% of the TOD. The "Conventional Zone," as defined by the Leander Smart Code,

05-26-09 04:22 RCVD

4101 PARKSTONE HEIGHTS DRIVE, SUITE 310 AUSTIN, TEXAS 78746
TEL: 512.328.3232 WWW.MCIVER.COM FAX: 512.328.4584

may be developed under the applicable zoning and subdivision standards for that adjacent T Zone—here, the T3 Zone. The T3 zone is defined as the "Sub-Urban Zone," or "Neighborhood Edge Zone/Edge of Town Zone," and is noted for its similarity to conventional suburban single family house areas. "Table 5 Transect System Illustrated," attached hereto, shows this zone as the transition zone between Rural and Urban, but clearly associates it with development qualities that fall short of "medium and high density." In contrast with the typical "Urban Core" qualities, some of the qualities noted are "less density, larger blocks, primarily residential, smaller buildings, more greenscapes, detached buildings, rotated frontages, yards and porches."

05-26-09 04:22 RCVD

Admittedly, the remaining 70% of the TOD consists of T4, T5, and T6 Zones, which permit the kind of medium and high density contained within the "Urban Core" definition. In fact, the T6 Zone is entitled the "Urban Core Zone" by the Leander Smart Code, and while the T4 and T5 Zones are less dense than the T6 Zone, the Leander Smart Code suggests a more urban residential fabric in these zones that encourages mixed use, pedestrian friendly, medium density development. Certainly, if the Applicant site was within the T4, T5 or T6 Zones of the TOD, and the Applicant defined the area as these zones within the same zoning district (here, within the TOD PUD), the Applicant would have a more compelling argument for the Urban Core points. Here, however, the site not only is not within the T4, T5 or T6 Zones of the TOD, it is not within the TOD at all.

What is most interesting is that the Applicant specifically defined the "area" by drawing its boundaries to group its site with the TOD, even though its site is outside of the TOD and is therefore outside of the PUD. Ironically, as noted above, by gerrymandering the TOD boundaries to encompass the Applicant's site, the area now fails the definition in that it includes several zoning districts outside of the PUD—including Light Industrial and Single Family Rural, neither of which support medium to high density development.

The fact that the Applicant submitted a letter from the Chief Planner at the City of Leander, and a map entitled "Urban Core" which does not appear anywhere on the City of Leander website, is not sufficient to award Urban Core points to this Application. The area that contains the site must meet the definition set forth in the QAP based on the facts of the situation, and based on the zoning maps in place for the City of Leander.

To summarize, the area defined by the applicant as Urban Core does not qualify for the following reasons:

1. The QAP defines Urban Core as having the following key measurements: 1) the area must have a single zoning designation that allows mixed use development--meaning a PUD or a specific mixed-use zoning designation, and 2) the area must be compact and contiguous. Meeting a different definition prepared by a City is not provided as an option within the QAP and is not sufficient to award these points.

2. The area identified by the applicant as Urban Core does not have at least 90% of its land not in public ownership zoned to accommodate a mix of medium and high density residential and commercial uses within the same district. In Leander, the

Smart Code overlay allows such mixed-use zoning in the nearby TOD, but this overlay is not applicable since the applicant's site is not located in the TOD.

3. The area identified as Urban Core is not compact and contiguous as it contains more than 2,300 acres and about 1/5th of the City.

We request that TDHCA staff reconsider the Applicant's evidence in light of this letter and the attached information provided by the City of Leander Planning Department. We appreciate your time and consideration of this request. Please let us know if we can be of further assistance with regard to this matter.

Sincerely,

DMA Development Company, LLC

Janine Sisak
Vice President/General Counsel

09-26-13 4:22 RCVD

SMARTCODE TRANSECT ZONES

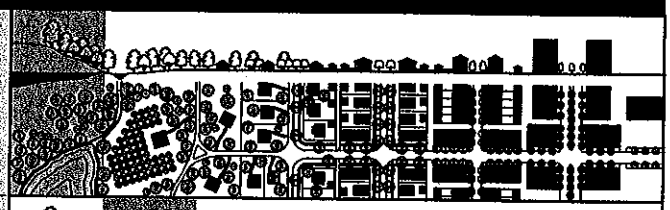
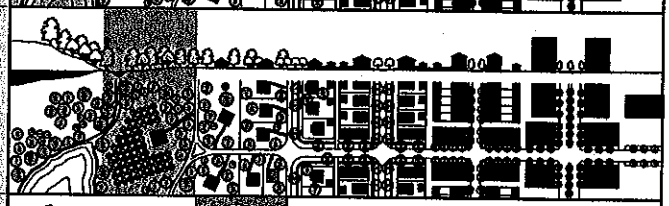
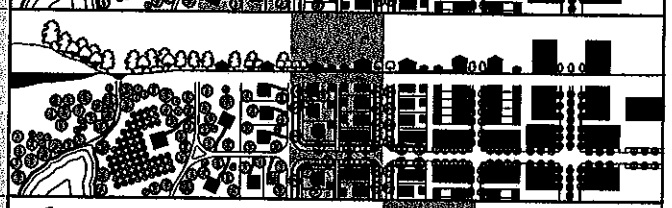
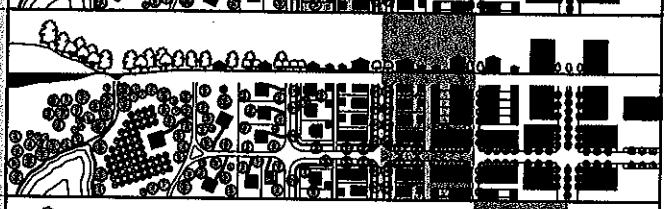
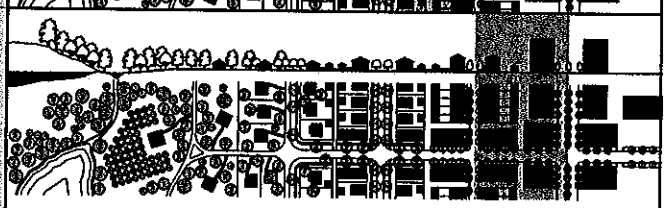
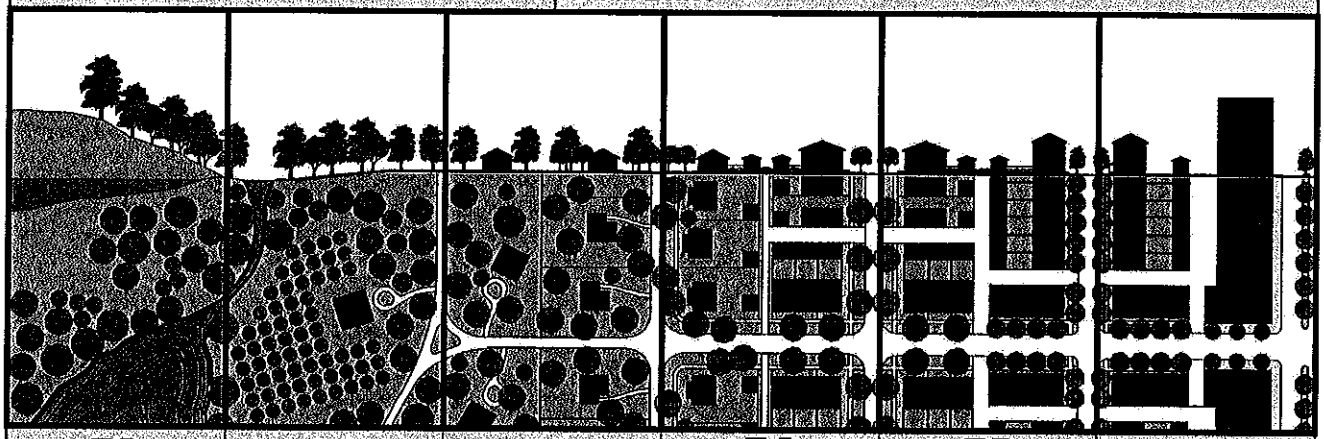
T1	The Natural Zone consists of lands approximating or reverting to a wilderness condition, including lands unsuitable for settlement due to topography, hydrology or vegetation.	
T2	The Rural Zone consists of lands in open or cultivated state, or sparsely settled. These may include woodland, agricultural lands, grasslands, and irrigable deserts.	
T3	The Sub-Urban Zone, though similar to conventional suburban single-family house areas, differs by its street connectivity and by allowing home occupations. It is typically adjacent to other urban T-Zones. This zone is naturalistic in its planting. Blocks may be large and the roads irregular to accommodate site conditions.	
T4	The Neighborhood General Zone has a denser, primarily residential urban fabric. Mixed use is confined to certain corner locations. This Zone has the wide range of building types. Single, sideyard, and row houses are set close to the frontages. Streets typically define medium-sized blocks.	
T5	The Neighborhood Center Zone is the equivalent of a Main Street. This Zone includes mixed-use building types that accommodate retail, offices, and dwellings, including rowhouses and apartments. The T-5 Zone is a tight network of streets and blocks, with wide sidewalks, steady street tree planting, and buildings set close to the frontages.	
T6	The Urban Core Zone occurs at regional centers. It is the equivalent of a town or to the downtown of a city. It contains the densest urbanism—the tallest buildings, and the greatest variety of uses, particularly unique ones such as the city hall, financial district, and important civic buildings. The Urban Core is the least naturalistic of all the Zones; trees are formally arranged and waterways are often contained in embankments.	

TABLE 6.1 TRANSECT ZONE ILLUSTRATED

RURAL ••••••••••••••••••••••• **TRANSECT** ••••••••••••••••••••••• **URBAN**

Rural Zones | **Urban Zones**



T1	T2	T3	T4	T5	T6
NATURAL	RURAL	SUB-URBAN	NEIGHBORHOOD GENERAL	NEIGHBORHOOD CENTER	URBAN CORE

Private	← LESS DENSITY	MORE DENSITY →
	← LARGER BLOCKS	SMALLER BLOCKS →
	← PRIMARILY RESIDENTIAL	PRIMARILY MIXED-USE →
	← SMALLER BUILDINGS	LARGER BUILDINGS →
	← MORE GREENSCAPE	MORE HARDSCAPE →
	← DETACHED BUILDINGS	ATTACHED BUILDINGS →
	← ROTATED FRONTAGES	ALIGNED FRONTAGES →
	← YARDS & PORCHES	STOOPS & SHOPFRONTS →
	← DEEP SETBACKS	SHALLOW SETBACKS →
	← ARTICULATED MASSING	SIMPLE MASSING →
	← WOODEN BUILDINGS	MASONRY BUILDINGS →
	← GENERALLY PITCHED ROOFS	GENERALLY FLAT ROOFS →
	← SMALL YARD SIGNS	BUILDING-MOUNTED SIGNAGE →
	← LIVESTOCK	DOMESTIC ANIMALS →
Public	← ROADS & LANES	STREETS & ALLEYS →
	← NARROW PATHS	WIDE SIDEWALKS →
	← HIGH L.O.S. STANDARDS	LOW L.O.S. STANDARDS →
	← OPPORTUNISTIC PARKING	DEDICATED PARKING →
	← LARGER CURB RADII	SMALLER CURB RADII →
	← OPEN SWALES	RAISED CURBS →
	← NIGHT SKY	BRIGHT LIGHTING →
	← MIXED TREE CLUSTERS	ALIGNED STREET TREES →
	← MORE SILENCE REQUIRED	MORE NOISE ALLOWED →
Civic	← LOCAL GATHERING PLACES	REGIONAL INSTITUTIONS →
	← PARKS & GREENS	PLAZAS & SQUARES →

ARTICLE 8
CONVENTIONAL ZONE

8.1 APPLICABILITY

8.1.1 The geographic area within the Conventional Zone designated on the Transect Map shall be developed pursuant to the zoning ordinance, subdivision ordinance and other development ordinances on the Transect Map, except the following architectural standards apply only to the Conventional Zone.

8.1.2 Upon application and approval by the UDO, any parcel designated "Conventional" and contiguous to an existing T-Zone may be developed under the applicable zoning and subdivision standards and entitlement processes in this Code for that adjacent T-Zone.

8.2 ARCHITECTURAL STANDARDS

8.2.1 ROOF PITCH. The predominant roof pitch for each house shall be 8:12 or steeper. Certain exceptions may apply:

a. In certain small areas that are not visible from the street (front or side) a lesser pitch may be used where it is infeasible to construct a roof of prescribed pitch given the floor plan and architecture of the home (i.e. in areas that need to be covered by a flat roof because the geometry of a pitched roof if infeasible).

b. In certain small areas (less than 15% of the total roof area) of the house, such as porches and covered patios, where a lower pitched roof is necessary to accomplish a certain architectural style that cannot be accomplished in another way shall be allowed (i.e. a low pitched front porch roof to accomplish a "Texas Hill Country" style home).

8.2.2 ROOF MATERIAL. The following shall be allowed:

a. Fiberglass shingles-roofing be "dimensional style" shingles of at least 300 lbs. per square (No three tab roofing is allowed).

b. Concrete Tile

c. Concealed-fastener standing seam metal roof allowed on larger houses (No galvanized aluminum is allowed).

8.2.3 MASONRY.

a. 100% stone, stucco or brick shall be utilized on first floor (80% overall including 2nd level areas). Only clay brick shall be utilized. No concrete brick or "king sized" brick is allowed.

b. Masonry must extend to a point no higher than 16 inches from the finished grade at the base of the concrete foundation. Houses with a tall foundation wall shall incorporate a lowered masonry lug where the masonry will cover the side of the foundation.

c. Fireplaces and chimneys located on an exterior wall must be 100% masonry. The masonry shall be the same material

on all four sides of the chimney as it extends above the roof. Chimneys that are not on an interior wall and extend solely above the roof may use materials other than masonry.

8.2.4 GARAGE DOORS.

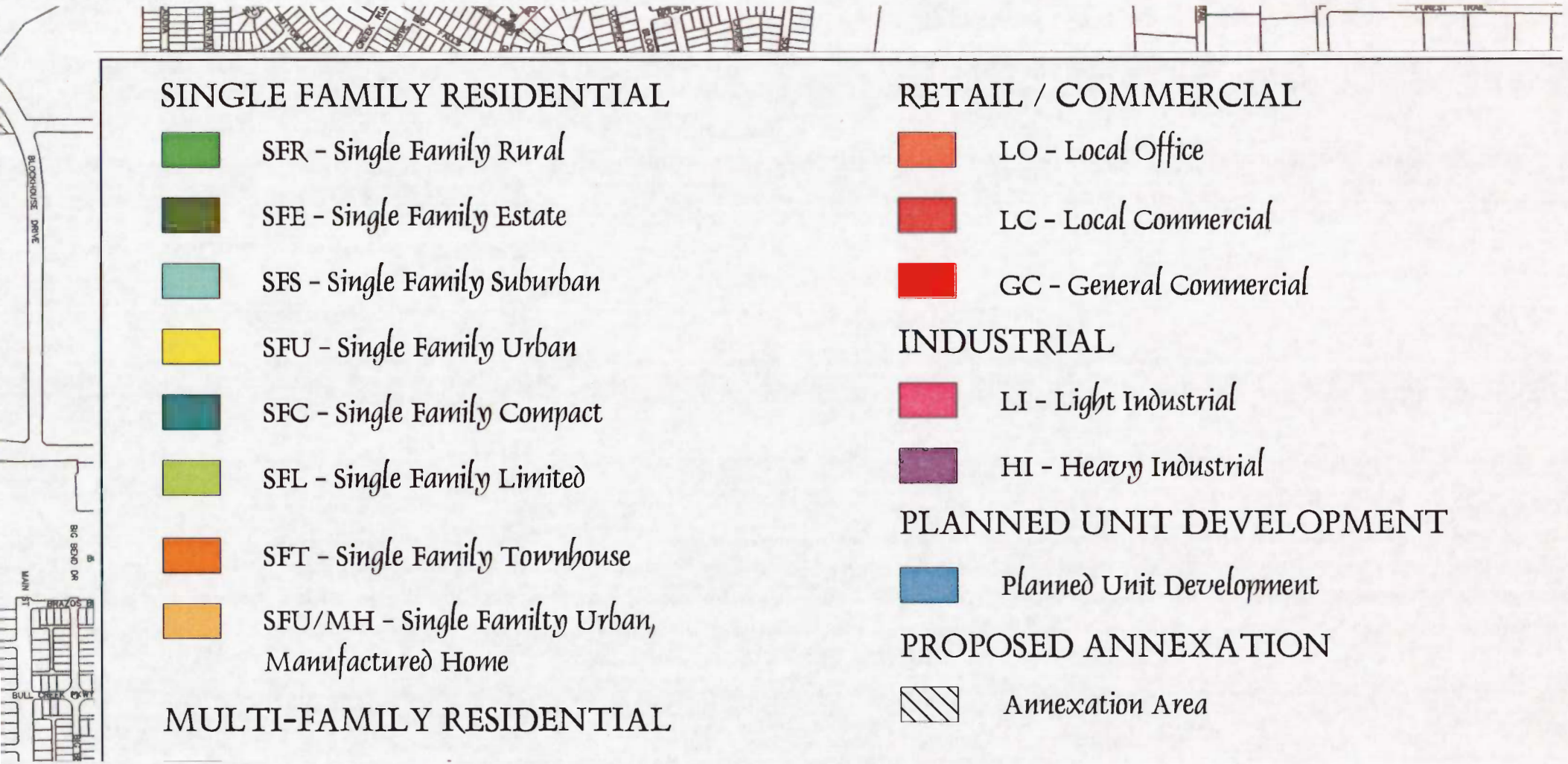
a. Heavy gauge steel doors with deeply embossed panels shall be utilized.
b. Cedar-faced wooden garage doors are allowed.

8.2.5 ARCHITECTURAL DESIGN.

a. Designs with front porches and appropriate details such as shutters are encouraged.
b. Sidewalks shall be located per street section.

8.2.6 LANDSCAPING.

a. Minimum 2-inch caliper trees shall be planted.
b. A "street" tree shall be located between curb and sidewalk.
c. Trees shall be irrigated and maintained by home owner.
d. Front yards shall be irrigated and sodded by developer.
e. Backyards shall be sodded by developer.



SINGLE FAMILY RESIDENTIAL

- SFR - Single Family Rural
- SFE - Single Family Estate
- SFS - Single Family Suburban
- SFU - Single Family Urban
- SFC - Single Family Compact
- SFL - Single Family Limited
- SFT - Single Family Townhouse
- SFU/MH - Single Familty Urban, Manufactured Home

MULTI-FAMILY RESIDENTIAL

RETAIL / COMMERCIAL

- LO - Local Office
- LC - Local Commercial
- GC - General Commercial

INDUSTRIAL

- LI - Light Industrial
- HI - Heavy Industrial

PLANNED UNIT DEVELOPMENT

- Planned Unit Development

PROPOSED ANNEXATION

- Annexation Area

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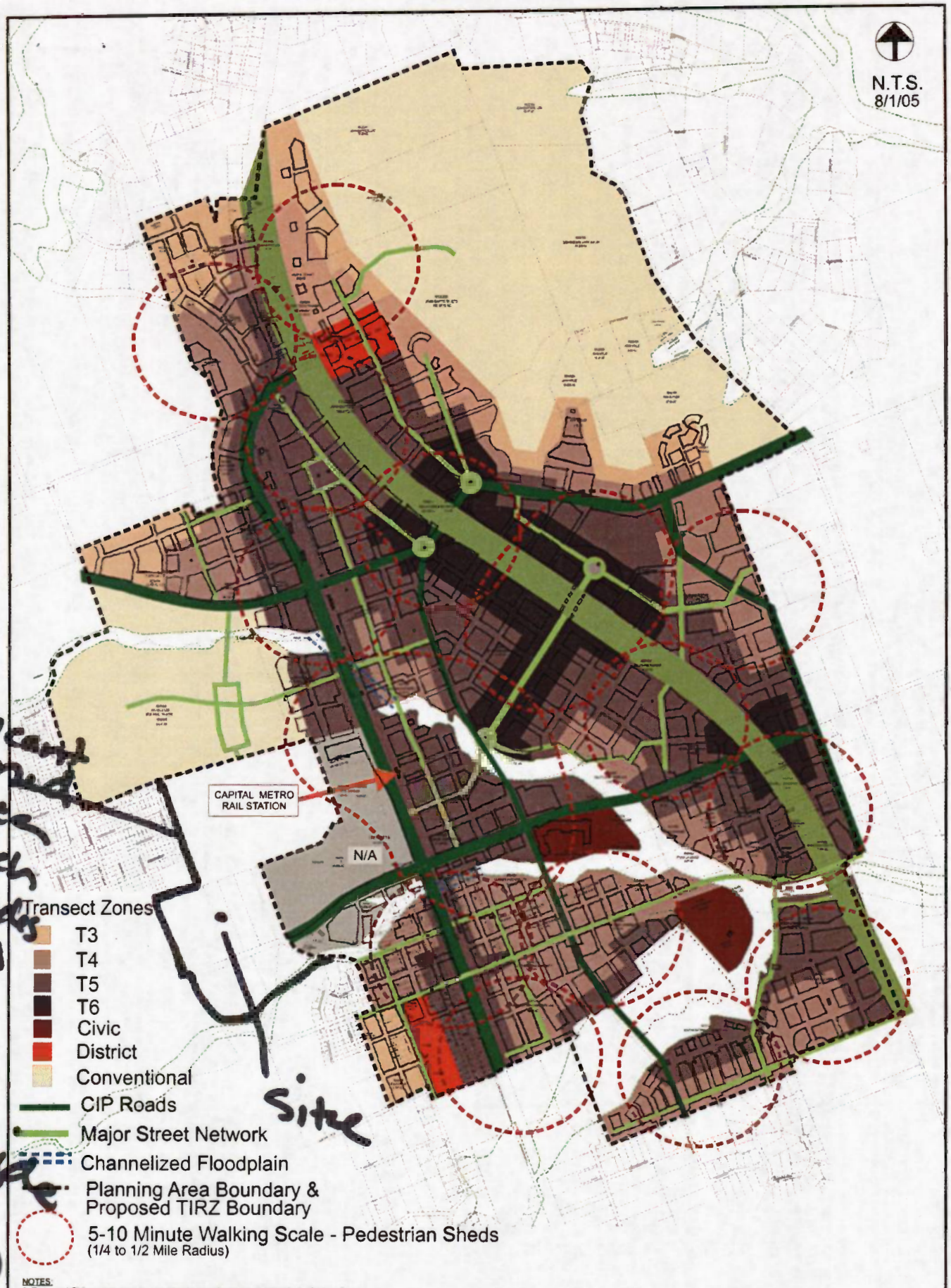


Applicant Defined area which includes area & the site outside of TOD

Site

NOTES:

1. Parks and Civic spaces shall be regulated by a performance standard in the TOD ordinance.
2. The CIP Roads and Major Street Network are required in addition to the Connectivity Standards in the TOD ordinance. The Code will set the standards for blocks; the block layout only illustrates the intent.
3. The esplanade (Grand Blvd.) will remain as shown if the CTRMA agrees to lower the main lanes and construct the crossing. If this is not the case or funding is unavailable, then it will become a boulevard with major median and landscaping and will be mimicked on the other side of 183a.
4. CONVENTIONAL designation of parcels as shown shall comply with current Leander Residential Zoning (including current PUD provisions) and General Development and Subdivision Ordinances. Application of those regulations in CONVENTIONAL shall provide for safe and appropriate transportation connections to the required roadways as adopted on the Transect Plan. It may participate in master water, wastewater, transportation, drainage and water quality development and receive funding incentives that may be adopted over time for the overall planning area as shown on the Transect Plan. A separate set of Architectural Standards shall apply to the CONVENTIONAL designation as a separate Article 8 to the Uniform Development Code and those separate Standards shall only apply to the CONVENTIONAL designated parcels.
5. For the purpose of planning initial development along San Gabriel Parkway (CR 274), it is understood that this County roadway is initially planned to be a 2 lanes of a county-planned, 4-lane divided roadway with 120 of ROW. This 4-lane roadway will be required for development. At such point in time as a funding district is in place and necessary financing to convert this roadway section into compliance with the section designated in Table 6, BV-152-120, of the Leander SmartCode is available, it shall be funded through the funding district as adopted and set forth in the funding district plan. The 120 of ROW will define the back of Curbs for the outer curbs of the outer parallel roadways in the above section.

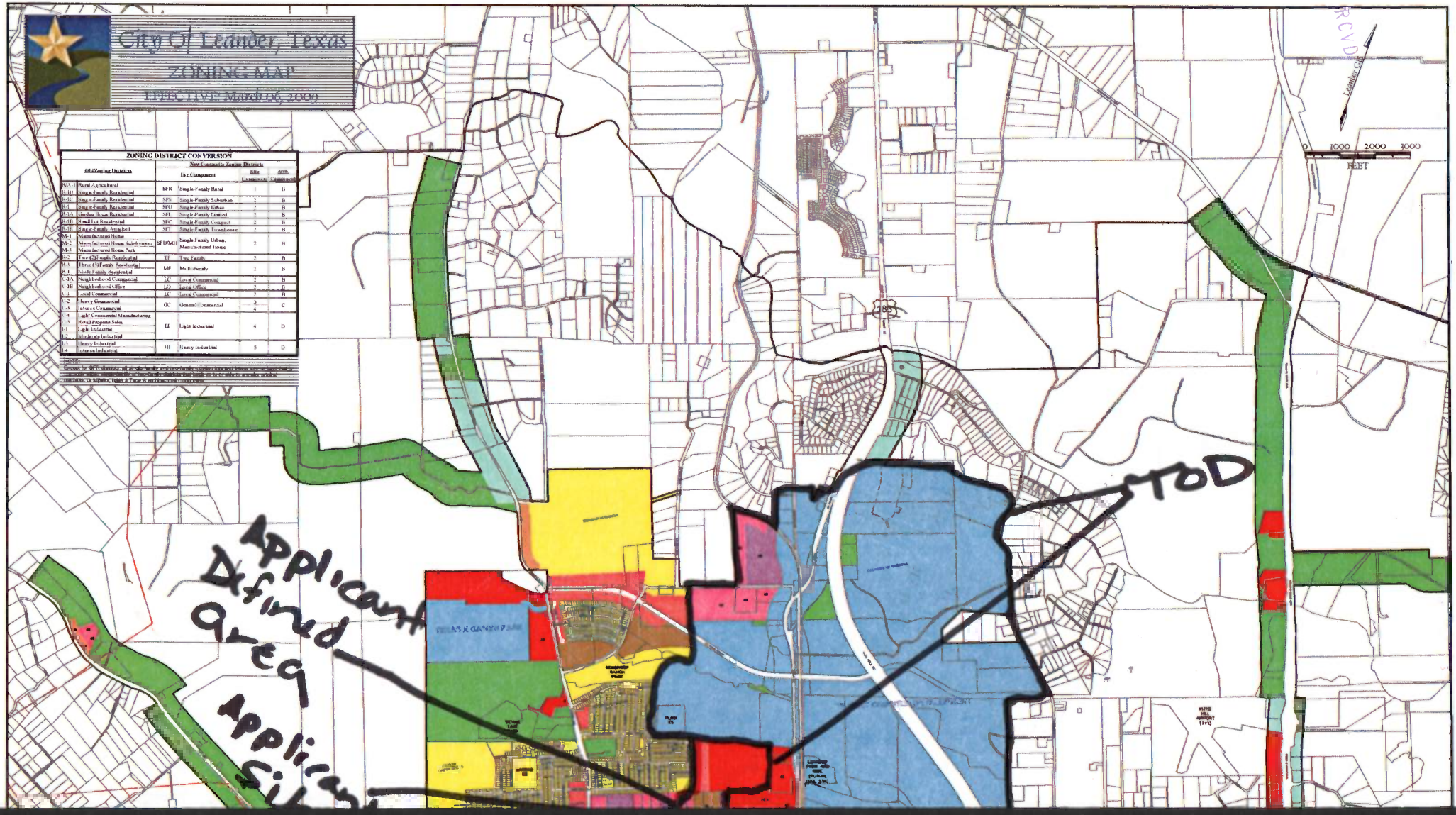
Gateway Planning Group

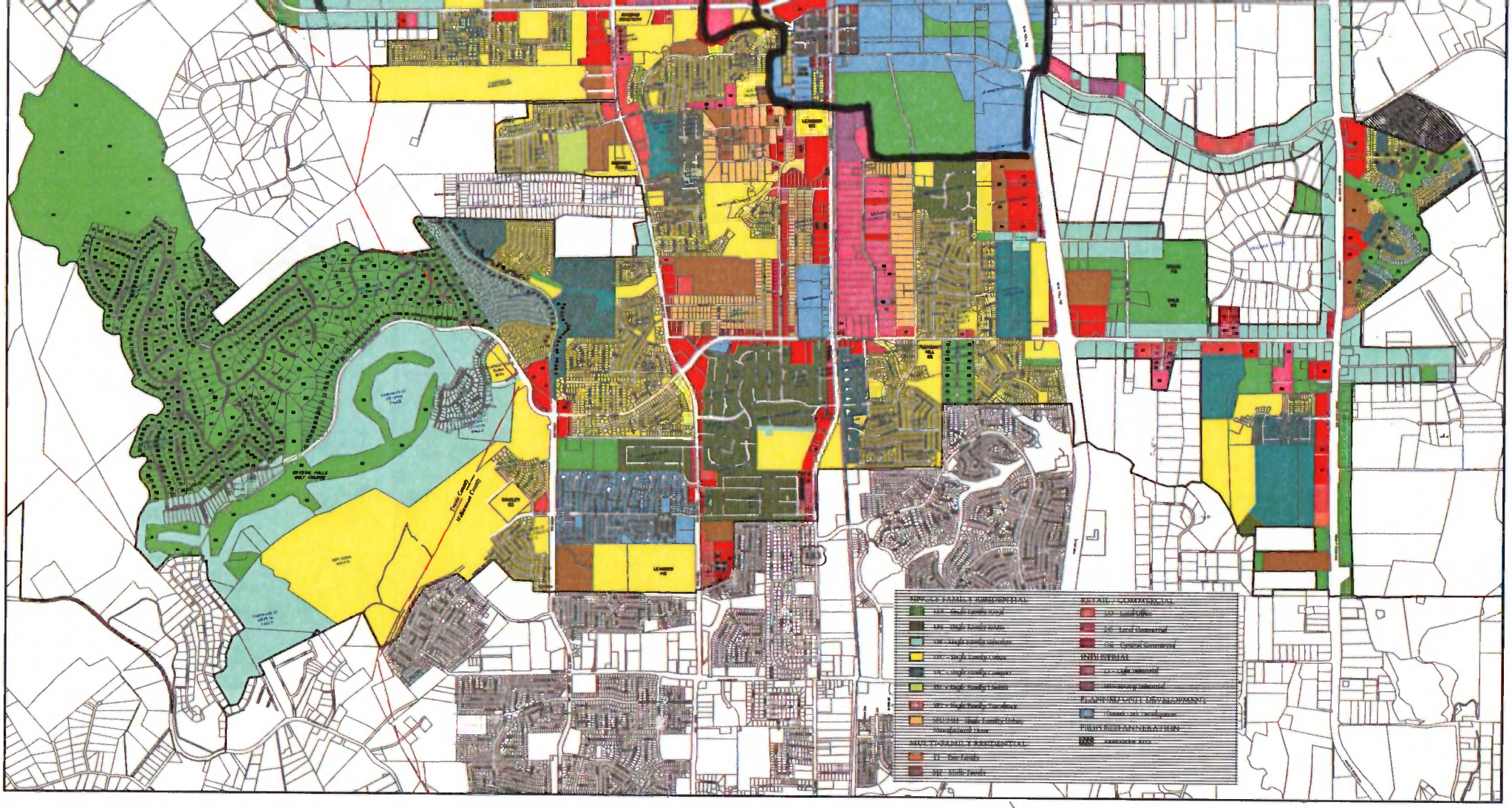
PLACE MAKERS

LEANDER TOD

Transect Map & Pedestrian Sheds

05-25-09P04:22 RCVD





See next page for legible legend

FOUNDATION COMMUNITIES
creating housing where families succeed

3036 S. 1st St.
Suite 200
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

www.foundcom.org

May 27, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Certification of Notifications at Pre-Application and Application (QAP Section 49.8(d)(3) and 49.(h)(8)(A)) for Application Number 09159

Dear Ms. Meyer:

Please accept this letter as a challenge to the Certification of Notifications at Pre-Application and Application per QAP Sections 49.8 (d)(3) and 49.9(h)(8)(A) that were submitted by Application Number 09159.

Notification of neighborhoods is a requirement of all applicants. The facts show that the applicant for the Malibu apartments knew about the existence of the neighborhood organization at both the pre-application and full application stage, but for some reason chose not to notify this organization.

During the pre-application phase:

We have confirmed with the City of Austin's Communication and Public Information Office that a letter was received from the applicant requesting the list of neighborhood organizations on December 8, 2008. The City sent a response and neighborhood list to the applicant on December 8, 2008. This information can be confirmed by Rita Noak, the Community Registry Coordinator for the City of Austin, at rita.noak@ci.austin.tx.us or 512-974-2584. I have attached email documentation.

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NeighborWorks® CHARTERED MEMBER
a Partner Agency of United Way
United Way Capital Area

All the other pre-applications in the Austin area also received a letter back from the City of Austin with a list of neighborhood contacts for their proposed project. However, the applicant in Pre-Application Number 09159 claims they did not receive a reply back from the City of Austin. (see attached "Certification of Notifications at Pre-Application" form certified that "no reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009.")

The applicant has a basic responsibility to determine if a neighborhood organization exists that they should contact. The applicant in Pre-Application Number 09159 on the *Certification of Notifications at Pre-Application* form also certified that "I know of no neighborhood organizations within whose boundaries the Development is proposed to be located." This is unlikely because the City of Austin has a very well-known community registry database with access easily provided on the City of Austin's website at http://www.ci.austin.tx.us/neighbor/search.htm. A user can enter a zip code and all relevant neighborhood organizations and their boundaries will be displayed. Also on the City of Austin website located at http://www.ci.austin.tx.us/development/default.htm. is a GIS map viewer that allows users to enter an address and a more specific list of neighborhood organizations will be displayed with applicable boundaries. In fact, on page 190 of Application Number 09159, is a copy of an email dated February 12, 2009 (before even the pre-application due date), with the consultant referring to the GIS mapping on the city's website that is referred to above.

Any developer or consultant with knowledge of Austin knows that a site located in the City limits of Austin will have a neighborhood organization that represents that area. The burden of responsibility lies on the developer to seek out that information. The neighborhood organization that actually represents the site, North Austin Civic Association, is an active organization who is well-versed in the City's development process; however, their voice was never given the chance to be heard – positive or negative.

During the full application phase:

In the full application the applicant again fails to notify the North Austin Civic Association, despite knowing that they exist and contain the site. The applicant included the NACA neighborhood plan in their application – twice! Under both Volume 4, Tab 12 and Volume 4, Tab 22, the application lists the *North Austin Civic Association Neighborhood Plan* as the Community Revitalization Plan eligible for points under QAP Sections 49.9(i)(13) and (24). In addition, the letter from the City of Austin included under both tabs clearly states at the bottom of page one that "The Malibu apartment complex is located within the boundaries North Austin Civic Association (NACA) Neighborhood Plan."

The applicant obviously had knowledge of the existence of the North Austin Civic Association prior to submission of the full-application and therefore should have indicated the organization in Volume 1, Tab 8 on the *Public Notifications Information and Certification Form (Page 4)* as a change from Pre-App. Even worse, the applicant actually renotified because of a change in the application from pre-app as evidenced under Volume 3, Tab 3, *Certification of Notifications (Sections A-C) All Programs*. This would have been an appropriate opportunity to notify the North Austin Civic Association based on the facts presented under Volume 4, Tab 12 and Tab 22, but the applicant, chose not to do so.

Public notification requirements outlined in the QAP must be taken seriously by all applicants. In the case of Application Number 09159, the proposed project is a rehabilitation and therefore was able to gain points under QAP Section 49.9(i)(2) with the "Malibu Resident's Council." However, to our knowledge, this does not exempt the applicant from required neighborhood association notification. If the neighborhood had been properly notified and engaged they could have chosen to either support or oppose the application. If they had chosen to oppose the project, this would have resulted in a neutral 12 point QCP score.

All other Austin applications properly notified the required neighborhood associations. It is unfair that the Malibu apartment application did not do this. We feel that the public notice requirements for the neighborhoods as laid out in the QAP were not met by Application 09159 and that the Department should consider a reduction in the QCP points awarded or other remedy.

If you have any questions about this challenge, please feel free to contact me at the information below.

Sincerely,

Walter Moreau

Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

Walter Moreau

From: Bier, Marti [Marti.Bier@ci.austin.tx.us]
Sent: Tuesday, March 10, 2009 1:16 PM
To: Walter Moreau
Subject: FW: housing projects neighborhood lists
Attachments: 2906 E Martin Luther King Jr.txt; 2964 East MLK Jr PIR.txt; 5106 N Lamar Neighborhood Associations Search.txt; 7051 Meadow Lake Neighborhood Associations Search.txt; 8312 North IH 35 Neighborhood Associations Search.txt; 8600 North Lamar The Malibu.txt; Mueller Redevelopment area NAs Search.txt; PIR report for Council Member Shade.doc

Walter,

Here is the list of who got what when (PIR report for Council Member Shade.doc), and then the lists that they got are in the .txt files.
I'm meeting with Stephanie McDonald and Barbara Rush this afternoon re: resolution. Hope this helps.

Marti

Marti Bier
Policy Aide
Office of City Council Member Randi Shade
512-974-2255 (phone)
512-974-1888 (fax)
http://www.ci.austin.tx.us/council/shade.htm

From: Noak, Rita
Sent: Tuesday, March 10, 2009 8:15 AM
To: Bier, Marti; Florance, Christopher
Subject: RE: housing projects neighborhood lists

Marti,
I am attaching the neighborhood lists that I to the developers.

Please let me know if you need anything additional.

Thank you
Rita

Rita Pirone Noak
Community Registry Coordinator
City of Austin
Communications and Public Information Office
www.cityofaustin.org
rita.noak@ci.austin.tx.us
974-2584 Tue-Friday
P.O. Box 1088
Austin, TX 78767

The Mulholland Group
Joseph McLaughlin
1st request 8312-IH 35 North - Woodland Heights Apartments
Requested date: December 8, 2008, Delivered December 8, 2008
File name: 8312 North IH 35 Neighborhood Assoc Search.txt
2nd request 8600 North Lamar – The Malibu
Requested date: December 8, 2008, Delivered December 8 2008
File name: 8600 North Lamar

Affordable Housing Corp
Jean Latsha
Request: 8312-IH 35 North - Woodland Heights Apartments
Requested date: December 8, 2008, Delivered December 9, 2008
File name: 8312 North IH 35 Neighborhood Assoc Search.txt

State Street Housing Advisors
Jeffrey S Spicer
Request: 7051 Meadow
Requested date: December 8, 2008, Delivered December 9, 2008
File name: 7051 Meadow Lake Neighborhood Association Search txt

Versa Development, LLC
Manish Verma
Requested the entire City of Austin
Requested date: December 10, 2008, Delivered December 12, 2008
File name: Dec 10 08 Export NE.xls

Foundation Communities
Walter Moreau
Request: 2964 East MLK Jr.
Requested date: December 10, 2008 Delivered December 10, 2008
File name: 2964 East MLK Jr. PIR.txt

DMA Diana Mciver & Associaties
Nora Kean
Requested the entire City of Austin
Requested date: December 11, 2008 Delivered December 11, 2008
File name: Dec 10 08 Export NE.xls

Strategic Housing Finance Corp
Keith Hoffpauir
Requested the entire City of Austin
Requested date: December 11, 2008 Delivered December 11, 2008
File name: Dec 10 08 Export NE.xls

8600 North Lamar The Malibu

8600 North Lamar The Malibu Neighborhood Associations Search

PlanningID:
1081
Association Name:
NACA Neighborhood Plan Contact Team
Name:
Chair Brian T. Almon
Office Held:

Address:
9502 Stonebridge Dr, Austin, TX 78758
Home Phone:
836-6853
Work Phone:
936-7355
Email:
almonb@sbcglobal.net
North Boundary:
Kramer Lane
South Boundary:
Research Blvd
East Boundary:
Lamar Blvd
West Boundary:
Metric

PlanningID:
45
Association Name:
North Austin Civic Assn.
Name:
Mr. Anthony Williams
Office Held:
President
Address:
P.O. Box 180803, Austin, TX 78718
Home Phone:
866-531-4620
Work Phone:

Email:
williams762@earthlink.net
North Boundary:
Kramer Lane
South Boundary:
U.S. Hwy 183
East Boundary:
Lamar Blvd.
West Boundary:
Metric Blvd

PlanningID:

1048
Association Name:
Austin Northwest Association
Name:
Ms. Sarah Teeter

Office Held: 8600 North Lamar The Malibu

Address:
5703 Thornhill Dr, Austin, TX
78744
Home Phone:
512-468-4909
Work Phone:

Email:
smwjwt@yahoo.com
North Boundary:
SH 45
South Boundary:
US Hwy 183
East Boundary:
IH 35
West Boundary:
US Hwy 183

CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.8(d)(3), evidence of notifications includes this sworn affidavit and the *Public Notifications Information Form*

Must accurately Check all applicable boxes below:

- ☒ I certify that all required requests for Neighborhood Organizations were made pursuant to §49.8(d)(3)(A) and included the required information as provided in the *Neighborhood Organization Request* template by December 8, 2008.
- ☒ I certify that:
  - ☒ No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B); and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
  - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B); and/or
  - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
  - ☐ The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B). Date Mailed __/__/__
  - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*. Date Mailed __/__/__
- ☒ I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.8(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, *Public Notifications (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification 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 evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

By: [signature] 1-6-09 Its: Developer

Signature of Applicant/Owner *Date*

STATE OF: New York

COUNTY OF: Queens

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Royce Hushalland, whose 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 official seal this 6 day of January, 2009.

[signature] 2012

Notary Public Signature *Commission Expires*

PATRICIA L. ROSSI
Notary Public - State of New York
NO. 01RO6194420
Qualified in Queens County
My Commission Expires 2012

From: "Groves, Sara" <Sara.Groves@ci.austin.tx.us>
Subject: **RE: Contact Information**
Date: February 13, 2009 2:40:50 PM CST
To: "Sarah Andre" <sarah@s2adevelopment.com>

Sarah,

According to tax records the existing multi-family structure at 8600 N Lamar Blvd was constructed in 1974.

The zoning for this property at the time of permitting under City of Austin ordinance # 710617-J was "GR, 1st Height and Area" within which *Apartment Hotel* was a permitted use. With the adoption of the City of Austin Land Development Code, Chapter 13-2 in April of 1984, residential uses were no longer permitted in commercial and industrial zoning districts. However, in accordance with Chapter 25-2-942 of the current Land Development Code, *The use of a building, structure, or property that conformed to the zoning regulations in effect on March 1, 1984 is a conforming use notwithstanding the requirements of this chapter.*

Since the use of the property was conforming when it was constructed, conformed on March 1, 1984 and the use has not changed, the use is currently in conformance with the City of Austin zoning requirements per LDC Section 25-2-942. In accordance with zoning regulations, if the structure is damaged or destroyed, it may be rebuilt to the same size, dimensions, location and number of units that existed previously, after all applicable applications are filed and permits issued for the reconstruction.

Please let me know if you have any questions.

SARA
Sara Groves
sara.groves@ci.austin.tx.us
City of Austin Development Assistance Center
Watershed Protection and Development Review Dept.
ph# 974-3425
fax# 974-2934

From: Sarah Andre [mailto:sarah@s2adevelopment.com]
Sent: Thursday, February 12, 2009 4:42 PM
To: Groves, Sara
Subject: Re: Contact Information

Hi Sara,

Thanks for getting back to me.

I need documentation that the Malibu Apartments, a 476 unit multifamily property currently located at 8600 North Lamar is allowed to exist at that location under its current zoning. The property was built in the 1970s and the current zoning is GR, according to my research assistance. I have pasted a little bit of information below from her so you know what she is looking at.

We need a letter or other documentation that lets the State of Texas Department of Housing and Community Affairs know that the project is allowed under current zoning.

Here is the information from my research assistant:

that gis map viewer looks like the area is GR, which is community commercial. i did find this map, ftp://coageoid01.ci.austin.tx.us/GIS-Data/planning/maps/Base%20Zoning%20Districts%20in%20Color.pdf. and it does look like the area is considered commercial,

under the GR zoning, it doesn't look like multifamily is permitted http://www.ci.austin.tx.us/development/downloads/permitteduschart.pdf.

Sarah Andre
S2A Development Consulting, LLC
1606 East 6th, Suite 12

Austin, Texas 78702
512/698-6369 mobile
512/833-2289 facsimile

On Feb 12, 2009, at 3:31 PM, Groves, Sara wrote:

> *Sara Groves*
> sara.groves@ci.austin.tx.us
> City of Austin Development Assistance Center
> Watershed Protection and Development Review Dept.
> ph# 974-3425
> fax# 974-2934

Volume 4, Tab 12 (§49.9(i)(13))
Community Revitalization or Historic Preservation

The Application proposes:

☒ **Rehabilitation (includes reconstruction)** Reconstruction includes the demolition of one or more residential buildings in an Existing Residential Development and the reconstruction of the Units on the Development Site. Developments proposing Adaptive Reuse or proposing to increase the total number of Units in the Existing Residential Development are not considered reconstruction.

Applications may qualify to receive points for either section A or B.

☒ **A. Community Revitalization**

Development includes use of Existing Residential Housing. ☒ Yes ☐ No

Rehabilitation (includes reconstruction) is part of a Community Revitalization Plan. ☒ Yes ☐ No

Attach a copy of the Community Revitalization Plan and provide the following information.

Name of the Community Revitalization Plan(s): North Austin Civic Association Neighborhood Plan

Is an ordinance, resolution or other evidence of a vote by the local Governing Body showing adoption attached? ☒ Yes ☐ No

If no, page number of the plan where adoption is references: NA (does not guarantee acceptance of the plan)

Page number(s) of the plan that references the targeting of specific geographic areas for revitalization and development of residential developments: 7

Page number(s) of the plan that references that the Rehabilitation or reconstruction is part of the plan: 12

***Attach a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development area(s) outlined in the plan.**

***If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided.**

or

☐ **B. Historic Preservation**

The Development **includes*** the use of an existing building that is designated as historic by a federal or state entity and proposes Rehabilitation (including reconstruction) or Adaptive Reuse. ☐ Yes ☐ No

Proof of the historic designation from the appropriate Governmental Body is included. ☐ Yes ☐ No

Letter from the Texas Historical Commission indicating the effect of the proposed rehabilitation on historical structure is included. ☐ Yes ☐ No

***The Development itself must have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building. The Development must include the historic building.**

Volume 4, Tab 22 (§49.9(i)(24))
Qualified Census Tracts with Community Revitalization Plan

Attach a copy of the Community Revitalization Plan and provide the following information.

11-Digit Qualified Census Tract Number: 48453001305

Name of the Community Revitalization Plan(s): North Austin Civic Association Neighborhood Plan

Is an ordinance, resolution or other evidence of a vote by the local Governing Body showing adoption attached?
☒ Yes ☐ No

If no, page number of the plan where adoption is mentioned: N/A (does not guarantee acceptance of the plan)

Page number(s) of the plan that mentions the targeting of specific geographic areas for revitalization and development of residential developments: 2, 12

***Attach a letter from the chief executive officer or other local official with appropriate jurisdiction of local Governing Body stating that the Development Site is located within the targeted development area(s) outlined in the plan.**

***If the Community Revitalization Plan references any other documents or plans, the referenced documents must also be provided, and an outline describing how the individual plans combine to target a specific geographic area for revitalization and development of residential developments must be provided.**

City of Austin
Neighborhood Housing and Community Development
P.O. Box 1088, Austin, TX 78767-1088
(512) 974-3100 • Fax (512) 974-3112 • www.cityofaustin.org/housing

February 25, 2009

Robbye Meyer
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
P.O. Box 13491
Austin, TX 78711

Re: Malibu Apartments, HTC #09159
Volume 4, Tab 12/Community Revitalization

Dear Ms. Meyer:

This letter verifies the following facts regarding the Housing Tax Credit application for the Malibu Apartments, HTC #09159:

- The Malibu Apartments is an existing multifamily development located in census tract #18.05, which is a Qualified Census Tract;
- Rehabilitation of the Malibu Apartments helps achieve the City's affordable housing and revitalization goals from the City of Austin's Consolidated Plan for Fiscal Years 2004-2009, the Austin Tomorrow Comprehensive Plan and the North Austin Civic Association Neighborhood Plan (an amendment to the Austin Tomorrow Comprehensive Plan).

The City of Austin Consolidated Plan for Fiscal Years 2004 – 2009 is the City's five year plan to address the community's most critical housing and community development needs. The goals and strategies outlined in each Consolidated Plan are the result of an extensive public process. Page 1 – 12 of the Plan describes the following housing strategies that will be attained by the rehabilitation of the Malibu Apartments:

- *Rental: Provide resources to non-profit/for-profit housing developers to construct S.M.A.R.T. Housing rental units and rehabilitate existing rental units.*

  The Malibu apartment complex is an existing 476-unit apartment community in need of significant rehabilitation. An allocation of Housing Tax Credits meets the goal of improving current housing stock while increasing affordability.

- *Neighborhood Projects: Implement housing affordability components of adopted neighborhood plans, master plans and identified priority neighborhoods.*

  The Malibu apartment complex is located within the boundaries North Austin Civic Association (NACA) Neighborhood Plan.

The City of Austin is committed to compliance with the American with Disabilities Act and will provide reasonable modifications and equal access to communications upon request.

The North Austin Civic Association Neighborhood Plan is an amendment to the Austin Tomorrow Comprehensive Plan and is the primary document developed by the North Austin Civic Association and the City of Austin used in planning growth and revitalization of the area contained within the plan's borders.

Page 7 of the NACA Neighborhood Plan specifically states:

> *"The neighborhood would also like to revitalize North Lamar Boulevard and Rundberg, major neighborhood gateways."* The Malibu apartment complex is located at 8600 N. Lamar Blvd.

Page 13 of the NACA Neighborhood Plan specifically states:

> *"The Neighborhood Plan addresses land use, transportation, environment, recreation, and community services. Of these, land use preservation through more aggressive enforcement of existing codes is the priority of the neighborhood. With nearly 75% of the housing being rental units, for NACA to continue to age gracefully, it is critical that properties be maintained – hopefully by conscientious owners/renters or by city enforcement if necessary."*

Applicable sections of the City of Austin Consolidated Plan, the North Austin Civic Association Neighborhood Plan and the Austin Tomorrow Comprehensive Plan are attached for your review. Rehabilitation of the Malibu Apartments will help both the City of Austin and the North Austin Civic Association meet its goals for revitalizing this growing area of Austin.

Sincerely,

Margaret R. Shaw
Director

cc: The Mulholland Group
Brooke Boston

Attachments

Volume 1, Tab 8

PUBLIC NOTIFICATIONS INFORMATION AND CERTIFICATION FORM (PAGE 4)

COUNTY COMMISSIONERS CONTINUED:

Name: [redacted] District #: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted] District #: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted] District #: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted] District #: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted] District #: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations to which the Applicant is/was required to notify under §49.9(d)(3)(B) and/or §49.9(h)(5)(A)(ii) of the QAP):

☒ **CHANGE FROM PRE-APP**

Name: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

Name: [redacted]
Address: [redacted] City: [redacted] State: [redacted] ZIP: [redacted]
Phone: [redacted] Fax: [redacted]

I certify that all the information provided is correct and all of the required entities (above) were notified as required by §49.9(d)(3)(B) and or §49.9(h)(5)(A)(ii) of the QAP. I also certify that all notifications were made in the format outlined in the template, Neighborhood Organization Request Format and Public Notifications Format (Written).

By: [redacted] 2/24/09 Its: _____

Signature of Applicant/Owner *Date*

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(5)(A) and/or other applicable Rules, evidence of notifications including this sworn affidavit and the *Public Notifications and Information Certification Form* (submitted in Volume 1, Tab 5). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. Must Accurately Check Below If a Pre-Application was Submitted:

☒ I (We) certify that:

☒ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or

☒ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(5)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or Family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. 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 as required under §49.9(h)(6)(A).

2. Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):

☒ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(5)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 30, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.

☒ I (We) certify that:

☒ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or

☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or

☒ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(5)(A)(ii)(I) and/or other applicable Rules, and/or

☒ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(5)(A)(ii)(I) and/or other applicable Rules, and/or

☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or

☒ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(5)(A) and/or other applicable Rules; and

☒ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*.

☒ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(5)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:

- Superintendent of the school district containing the Development;
- Presiding officer of the board of trustees of the school district containing the Development;

Initial: _____

FOUNDATION COMMUNITIES
creating housing where families succeed

3036 S. 1st St.
Suite 200
Austin, TX 78704

tel: 512-447-2026
fax: 512-447-0288

www.foundcom.org

May 27, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O. Box 3941
Austin, Texas 78711-3941

Re: Challenge to Financial Feasibility scoring and underwriting for Application Number 09159

05-27-09A10:05 RCVD

Dear Ms. Meyer:

I am writing to challenge the financial feasibility of the Malibu Apartment renovation project (tax credit application #09159). The scoring and underwriting cannot be correct given the glaring omission of required ADA interior unit renovations, as well as potential related issues with asbestos remediation and tenant relocation.

In order to receive housing funds from the City of Austin, the Malibu project will be required to fully renovate 10% of the units (47 units) to be wheelchair/mobility accessible. No waiver or grandfathering of this rule and City ordinance exists for existing apartment renovations that utilize City funding or are certified as SMART Housing. TDHCA rules also require that a certain percentage of units be renovated to comply with ADA, Section 504 laws and other rules.

Neither the renovation budget in the Physical Condition Assessment, or the overall development application budget include any money for required interior unit ADA renovation. The PCA states (page 37), "The review of the subject property for compliance with state and local accessibility requirements is beyond the scope of this report." Only $25,000 is included in the renovation budget for ADA work in common areas.

The Malibu apartment units are very small, with long galley kitchens too narrow for a wheelchair, very small bathrooms and closets without an adequate turning radius, and doorways throughout that appear too narrow. Accessibility renovations will require movement of walls, and probably will require movement of plumbing, cabinetry, closets and ductwork to make everything fit and comply. New kitchen and bath millwork and plumbing fixtures will be necessary.

An architect should draft detailed plans that show how the units can meet the state and local requirements for accessibility, and this work should be priced. Each accessible unit must also have an accessible route to the parking lot and common amenities.

The total cost of this work will be substantial and must be included in the underwriting and financial feasibility analysis of the project. We recently bid very similar work on another

property, and the cost was approximately $20,000 per unit. The cost on 47 units could be close to $1 million.

The total cost of the ADA renovations should also take into consideration potential asbestos abatement and tenant relocation:

Asbestos:

According to the PCA the apartment ceilings have a 'popcorn texture'. This texture in older apartments commonly contains asbestos. The Phase 1 ESA (page 22) states that potential asbestos containing materials were observed in good condition. However, if these materials are disturbed in the renovation then federal, state and local laws apply. To get a building permit in Austin an architect must certify that the buildings do not contain asbestos, or if asbestos is present, then it will not be disturbed or it will be abated.

The ADA renovations will undoubtedly require movement of walls and doorways which will disturb the ceiling texture. There is a significant cost risk to the project if the ceiling texture contains asbestos which must be abated in 47 apartments. Recently we had to abate asbestos in two of our apartment units in order to relocate a few walls, and the cost was $8000 per unit.

TDHCA should require a phase 2 asbestos test of suspect materials, especially the popcorn ceiling texture, given the ADA renovations and other disruptive renovations that will be required. Non ADA renovations should be evaluated to determine if they will disturb the ceiling texture. If asbestos is present and requires appropriate remediation, the cost will be substantial. This potential cost should not be ignored by underwriting prior to an award of tax credits.

Relocation

The relocation plan submitted in the application (copy attached) is not plausible given the extensive renovations to 47 units for accessibility, in addition to all the other interior renovations planned. All of the units will be getting comprehensive interior improvements, however the applicant states that not a single resident will be relocated and no relocation funding is necessary. This does not seem consistent with the level of renovation work described in the PCA.

If you have any questions about this challenge, please feel free to contact me at the information below.

Sincerely,

Walter Moreau

Walter Moreau
Foundation Communities, Inc.
Phone: 512-447-2026
Fax: 512-447-0288
Email: walter.moreau@foundcom.org

Relocation Plan

Neither tenant relocation nor relocation funding is necessary, as we will complete renovations to individual units during pre-scheduled 8-hour days for occupied units. When necessary, our construction teams enter an apartment and rehabilitate specific items. At the end of each day, the apartment will continue to be functional. Typically, we only need to ask tenants to allow construction team to enter their units on three or four days throughout the entire renovation process. We will notify residents of upcoming renovations to their unit and then give them the opportunity to choose a convenient date for the renovations to take place. On the scheduled day, the construction team will enter the unit and make all repairs and replacements ensuring that the resident will return home to a functional and refurbished unit. We have found that most tenants much prefer these in-place renovations to relocation for an extended period.

June 10th, 2009

Ms. Robbye Meyer
Director of Multifamily Programs
Texas Department of Housing and Community Affairs
P.O Box 3941
Austin, Texas 78711-3941

Re: Challenge to Application by Goldshire Properties , Project #09166, Old Richmond Rd Townhowmes

§49.5.(b) Ineligibility; Disqualification and Debarment; Certain Applicant and Development Standards; Representation by Former Board Member or Other Person; Due Diligence, Sworn Affidavit; Appeals and Administrative Deficiencies for Ineligibility, Disqualification and Debarment.

Dear Ms. Meyer,

Please accept this letter as a challenge to any points awarded for application 09166.

The pre-application and application submitted by Goldshire properties clearly lists the current owner and seller of the property as **SHR Invests inc.** During our research concerning this application it was discovered that SHR Invests Inc forfeited it's charter and should not be representing itself as a corporation to do business in the State of Texas.

I have included documentation from the Secretary of State of Texas confirming this forfeiture on August 3rd, 2007. Please refer to page 9 of the Goldshire pre-application and page 188 of the Goldshire final application listing the seller of the property.

Thank you for your consideration regarding this matter.

Sincerely,
Donald J Dobesh Jr.

Vice President , Village of Oak Lake subdivision HOA

16311 Ember Hollow Lane,
Sugar Land Tx, 77498
Phone: 281-980-9147
Email: dondobesh@yahoo.com

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Phil Wilson
Secretary of State

Forfeiture pursuant to Section 171.309 of the Texas Tax Code of SHR INVESTS CORPORATION

File Number : 800542292 Certificate / Charter forfeited : August 03, 2007

The Secretary of State hereby determines and finds the following:

1. The Secretary of State has received certification from the Comptroller of Public Accounts under Section 171.302 of the Texas Tax Code that there are grounds for forfeiture of the charter or certificate of authority of the referenced entity.
2. The entity has not revived its forfeited corporate privileges within 120 days after the date that the corporation privileges were forfeited.
3. The Comptroller of Public Accounts has determined that the entity does not have assets from which a judgment for any tax, penalty, or court costs imposed under Chapter 171 of the Code may be satisfied.

It is therefore ordered that the entity's charter or certificate of authority be forfeited without judicial ascertainment and that the proper entry be made upon the permanent files and records of such entity to show such forfeiture as of the date hereof.

Phil Wilson
Secretary of State

Roundstone Development, LLC
Contact: Michael A. Hartman
1370 Taurus Court
Merritt Island, FL 32953
321-453-9587 / 321-453-6796 fax
321-223-8650 cell
mah1370@hotmail.com

June 9, 2009

Mr. Michael Gerber, Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: Challenge of TDHCA Application 09163
Tremont Apartment Homes

Dear Mr. Gerber:

We hereby provide the following information and challenge the threshold determination and scoring of Application 09163 (hereinafter referred to as "09163").

Scoring under QAP Section 49.9(i)(2), QCP from Neighborhood Organizations

1. Attached as Exhibit A is the submission of a purported Neighborhood Organization known as the Bacon Ranch Rd Property Owners Association ("Bacon") filed in support of 09163.
2. Please note that the address of the authorized representative of Bacon is 4280 High Oak Dr, Belton, 76513. Please note that the authorized representative of Bacon, Mickie Kay Schroeder, is also the Seller of the land that is the subject of Application 09163.
3. In a conversation with Karen Walinder, the second contact for Bacon, we confirmed that the authorized representative of Bacon lives at that address.
4. Attached as Exhibit C is a map which shows that the address of the authorized representative of Bacon is about 12.5 miles east of the boundaries of Bacon; i.e.; the authorized representative of Bacon does not live within the boundaries of Bacon.
5. Attached as Exhibit B are affirmations from Ms. Edith Stockhardt and Mr. Charlie Watts that they have never agreed to participate in nor have any knowledge of a property owners association being formed or created that encompasses their properties (including specifically the purported Bacon). Ms. Stockhardt owns five houses in the purported Neighborhood Organization's boundaries: 1108 Covey Ln, 1105 Covey Ln, 1103 Covey Ln, 1106 Covey Ln, and 1110 Covey Ln. Mr. Watts owns two houses in the purported Neighborhood Organization's boundaries: 1102 Covey Ln and 1104 Covey Ln. Between them they own seven of the 22 houses shown in Exhibit A as being included in the purported Neighborhood Organization.

05-12-09 12:52 RCVD

6. QAP Section 49.9(i)(2)(A)(iv) states "For the purposes of this section, a "Neighborhood Organization" is defined as an organization of persons living near one another within the organization's defined boundaries in effect February 27, 2009 that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood."
7. First, we maintain that Bacon fails this definition of Neighborhood Organization because its authorized representative does not live within the organization's defined boundaries.
8. Second, we maintain that Bacon was not in effect as of February 27, 2009 because the owners of at least seven properties within Bacon's defined boundaries had no knowledge of Bacon and had not agreed to join Bacon.
9. Therefore, we challenge the award of 24 points to 09163 under this scoring item.

Disqualification under QAP Section 49.5(b)(1)

1. Attached as Exhibit A is the submission of a purported Neighborhood Organization known as Bacon filed in support of 09163.
2. Bacon's written boundary description in Exhibit A states "North boundary is Bacon Ranch Rd from the 1100 to the 1900 block,..."
3. The boundary map in Exhibit A indicates that the boundaries of Bacon include a "Built Apartment Complex" to the east of the 09163 property, and indicates that the address of said Complex is 1900 Bacon Ranch Rd.
4. Attached as Exhibit G is the TDHCA Property Inventory as of 4/23/09. Note that the "Built Apartment Complex" located at 1900 Bacon Ranch Rd is TDHCA Property 05164, Ridge Pointe Apartments, whose general partner is owned 100% by Michael Lankford.
5. Per the Application submitted, Michael Lankford owns 100% of the general partner of Applicant 09163.
6. Attached as Exhibit D is the Volume 3, Tab 3 in Application 09163 submitted by Michael Lankford on February 27, 2009. Confirmation that Application 09163 was submitted to TDHCA on 2/27/09 is attached as Exhibit F.
7. In Exhibit D, Michael Lankford certifies that "Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application...and no additional notification was required at Application,..."
8. Per the attached Exhibit E, Michael Lankford certified at Pre-Application that "I know of no neighborhood organizations within whose boundaries the Development is proposed to be located..."
9. Please note, per Exhibit A, that the authorized representative of Bacon is the Seller of the land that is the subject of Application 09163.
10. QAP Section 49.5(b)(1) states "The Department WILL (emphasis added) disqualify an Application...Causes for disqualification and debarment include: (1) The provision of fraudulent information, knowingly falsified documentation, or other intentional or negligent material misrepresentation in the Application..."
11. We maintain that the failure of Applicant 09163 to disclose in its Application, filed on February 27, 2009, the Bacon Ranch Rd Property Owners Association as a Neighborhood Organization within whose boundaries the Applicant was located falls under the provisions of QAP Section 49.5(b)(1). The authorized representative of the

purported Neighborhood Organization was the Seller of the land to Applicant 09163. Further, another property owned by Michael Lankford was within the boundaries of the purported neighborhood Organization. Even if you now subsequently rule that Bacon is not a neighborhood Organization, the QAP required that Applicant 09163 disclose in its Application the existence of Bacon, which Applicant failed to do.

12. Therefore, Application 09163 should be disqualified under QAP Section 49.5(b)(1).

We thank you for your consideration of this matter.

Sincerely,

Michael A. Hartman

Enclosures
Cc: Kevin Hamby, General Counsel

Exhibit A

To: Nicole Fisher at TDHCA
From: Bacon Ranch Rd Property Owners Association
Mickie Kay Schroeder, Representative
Ref: Form for Qualified Neighborhood Organizations to Submit to TDHCA for Quantifiable Community Participation
Date: 02/24/2009

Ms Fisher,
This is a request for the Bacon Rand Rd Property Owners Association to be on record with TDHCA.

I have attached the necessary form and boundary map.

Thank you for your assistance,

Mickie Kay Schroeder 2/24/09

Mickie Kay Schroeder Date

rec'd TDHCA 2/25/09

Exhibit A

FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. ☒ This organization is submitting this form and attachments regarding the following proposed application:
   - Development Name: Tremont Apartment Homes TDHCA #: 09163
   - Development Location: 1600 Block Bacon Ranch Rd
   - Development City: Killeen Development County: Bell

2. ☒ The persons signing this form have the authority to sign on behalf of this organization.
   - Organization Name: Bacon Ranch Rd Property Owners Association
   - 1st Contact Name and Title: Mickie Kay Schroeder
   - 1st Contact Mailing Address: 4280 High Oak Dr
   - 1st Contact City: Belton 1st Contact Zip Code: 76513
   - 1st Contact Day Phone: 254-466-9876 1st Contact Fax: 254-698-6267
   - 1st Contact Evening Phone: 1st Contact E-Mail:

3. ☒ This organization is also providing the following additional contact and information for our organization:
   - 2nd Contact Name: None Karen Walinder
   - 2nd Contact Day Phone: (254) 628-0343 2nd Contact Fax: (254) 628-0357
   - 2nd Contact Evening Phone: 2nd Contact E-Mail:

4. ☒ This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):

   ☐ Homeowners Association

   ☒ Property Owners Association

   ☐ Resident Council and our members occupy the existing development

   ☐ Other (Explain _____)

Initials of Signer

rec'd TDHCA 03/23/09 4:05pm

Exhibit A

5. Certification of Record: Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

☐ On record, as of February 27, 2009, with the county in which the development is proposed to be located. (Attach boundary map and documentation from the county of registration)

☐ On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. (Attach boundary map and documentation from the Secretary of State of registration)

☒ On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). (Attach boundary map)

6. Boundary Description and Certification: Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Written Boundary Description:
North boundary is Bacon Ranch Rd from the 1100 to the 1900 block, south to the single family homes near Julie Jacqueline Dr, west to Trimmier Rd, then north to Bacon Ranch Rd. Located in Killeen, Bell County, Texas.

☒ This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

7. Statement of Support/Opposition: (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

☒ Support the application for Competitive Housing Tax Credits referenced above for the following reasons:
The proposed development is the best use for the area. It provides a solution to a need in the community.

☐ Oppose the application for Competitive Housing Tax Credits referenced above for the following reasons:

Initials of Signer

rec'd TDHCA 03/23/09 4:05pm

Exhibit A

B. Certify the following:

☒ This organization acknowledges that this form and attachments must be submitted no later than February 27, 2009 if the form (and enclosures) is relating to an application which submitted a pre-application or April 1, 2009 if the form (and enclosures) is relating to an application which did not submit a pre-application.

☒ This organization certifies that it was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2009 Competitive Housing Tax Credit Application Round, the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; the Applicant, Developer or any employee or agent of any Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance are acceptable forms of assistance); and that the Applicant, Developer or any employee or agent of any Applicant has not provided any "production" assistance for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, delivery of letter or assistance drafting a letter).

☒ This organization acknowledges that this completed form and required attachments must be submitted to Texas Department of Housing and Community Affairs, Attention: Director of Multifamily Finance; Neighborhood Input, P.O. Box 13941 (MC 332-10), Austin TX 78711-3941. For overnight or courier delivery use the following physical address: 221 East 11th Street, Austin TX 78701-2410. Do not use P.O. Box address for overnight or courier delivery. Form and Attachments may also be faxed to (512) 475-1895 or toll free at (800) 733-5120.

☒ This organization certifies that all certifications contained herein are true and accurate. (First and Second Contacts must sign below):

Mickie Kay Schroeder
(First Contact Signature)

2/24/09
(Date)

Mickie Kay Schroeder
(Printed Name)

Owner's POA
(Title)

x
(Second Contact Signature)

x 2-24-09
(Date)

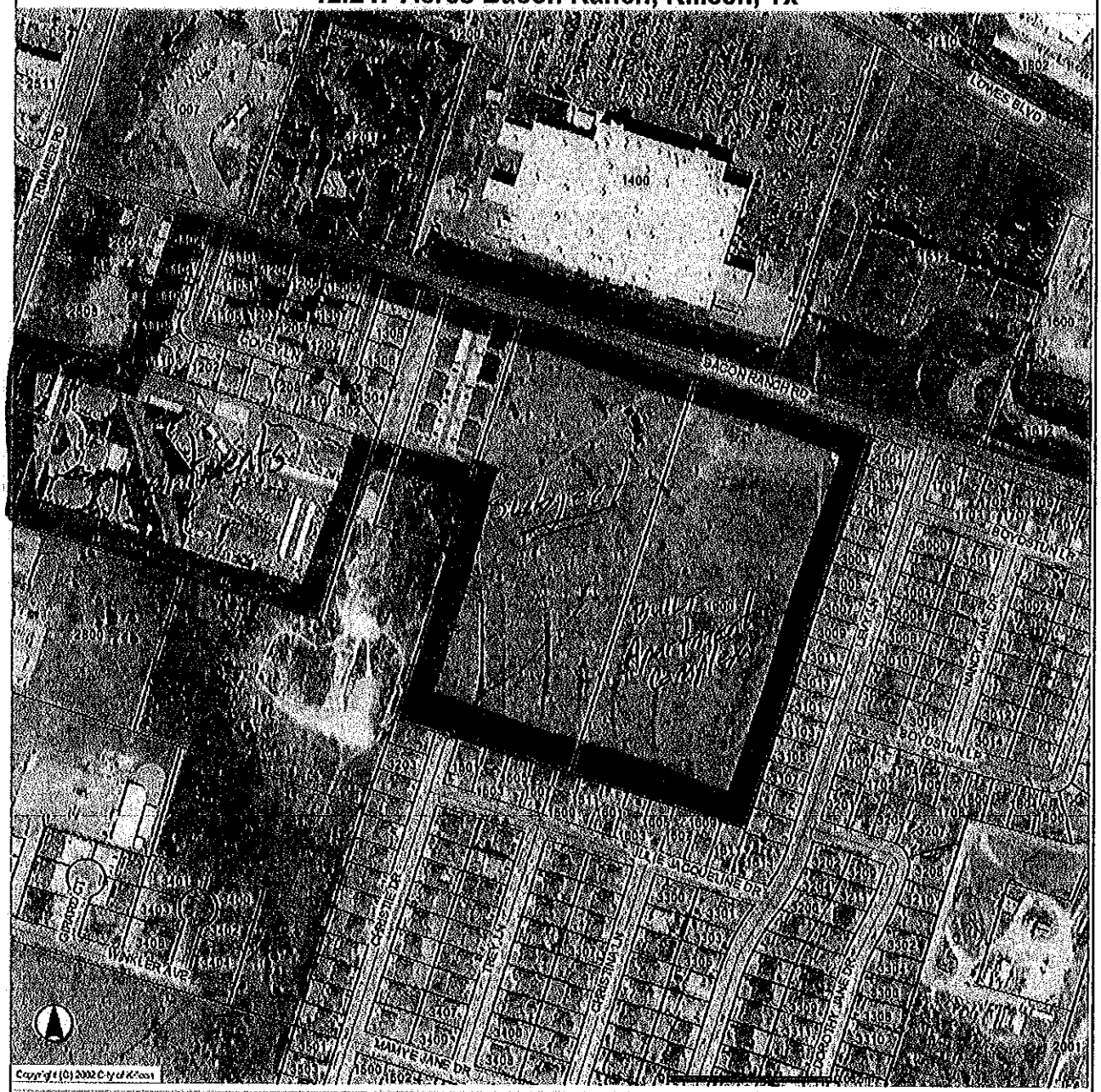
NONE Karen Dalrider
(Printed Name)

(Title)

rec'd TDHCA 03/23/09 4:05pm

Exhibit A

12.247 Acres Bacon Ranch, Killeen, Tx



Legend

Bell County Roads		Bell County Lakes
Interstate		Parcels
U S Hwy		Streets
State Hwy		2000 Aerial Photos
Major Roads		
Minor Roads		
Local Roads		

Highlighted: Boundaries of the Bacon Ranch Rd Property owners association.

Disclaimer: This Web site is a public resource of general information. The City of Killeen makes no warranty, representation or guarantee as to the content, accuracy, timeliness, or completeness of any of the database information provided herein. Any use or reliance on this information contained in it is at that party's own risk and without liability to the City of Killeen, its officials, or its employees for any discrepancies, errors or variances that may exist.

rec'd TDHCA 2/25/09

Exhibit B

June 4, 2009

Gene Lehmann
Roundstone Development
1750 Valley View Lane Suite 420
Dallas, TX 75230

Re: Quail Run Estates

The property owners listed herein have never agreed to participate in nor have any knowledge of a property owner's association being formed or created (including specifically the Bacon Ranch Road Property Owners Association).

By signing below, we affirm the above statement is true and correct.

Signature	Name	Address	Phone #
[signature]	Edith A Stockhardt,	1108 Cooey Ln	(210) 271-7171

Please note, I am the Property Owner of 1108 Cooey Ln Lot 4, Blk 1 Quail Run Estates,

Also I was instrumental in developing, and selling more than 50% of all the Bldg in Quail Run Estate also I have Ownership/Ownership Interest of 1105 Cooey, 1103 Cooey, 1106 Cooey, 1110 Cooey!

Thank you

[signature]

June 8-09

Exhibit B

June 4, 2009

Gene Lehmann
Roundstone Development
1750 Valley View Lane Suite 420
Dallas, TX 75230

Re: Quail Run Estates

The property owners listed herein have never agreed to participate in nor have any knowledge of a property owner's association being formed or created (including specifically the Bacon Ranch Road Property Owners Association).

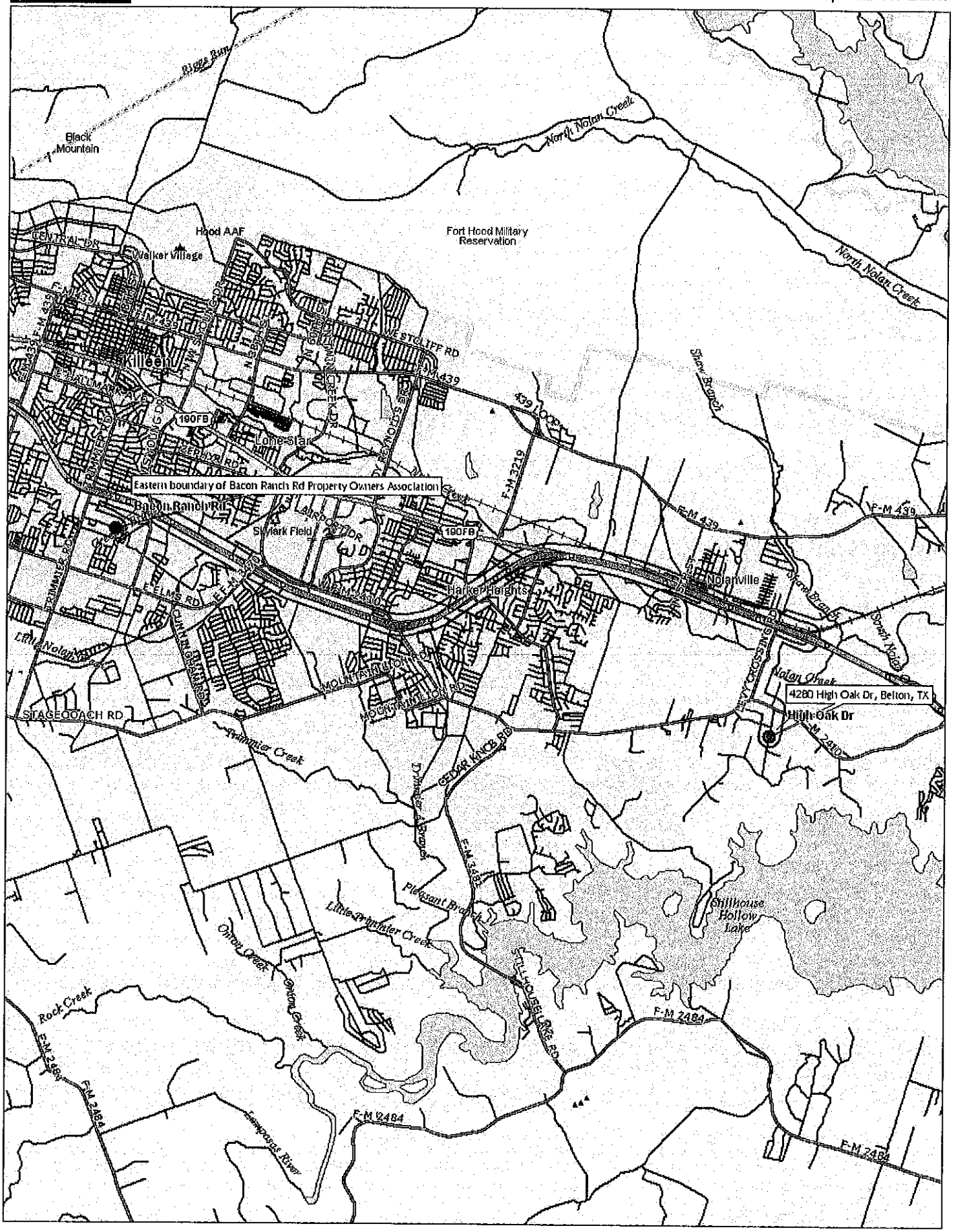
By signing below, we affirm the above statement is true and correct.

Signature	Name	Address	Phone #
	CHARLIE WATTS	1102 COVEY LN.	254-289-6336
	CHARLIE WATTS	1104 COVEY LN	254-289-6336

DeLORME

Exhibit C

XMap® 5.2 GIS Editor



Data use subject to license.

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Exhibit D

Volume 3, Tab 3
CERTIFICATION OF NOTIFICATIONS (SECTIONS A-C) ALL PROGRAMS

SECTION A: Pursuant to §49.9(h)(8)(A) and/or other applicable Rules, evidence of notifications includes this sworn affidavit and the *Public Notifications and Information Certification* Form (submitted in Volume 1, Tab 8). All Applicants, or persons with signing authority, must complete either Part 1 or Part 2 below:

1. **Must Accurately Check Below if a Pre-Application was Submitted:**
   - ☒ I (We) certify that:
     - ☒ Evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, and no additional notification was required at Application, or
     - ☐ A Pre-Application was submitted for this same Application and satisfied the Department's review of Pre-Application Threshold, but all required entities were re-notified as required by §49.9(h)(8)(A) and/or other applicable Rules, because I (we) have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, a change in the population being served (elderly, Intergenerational Housing or family), or the change of an elected official. As applicable, all changes in the Application have been made on the *Public Notifications Information and Certification Form*. 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 as required under §49.9(h)(8)(A).

2. **Must Accurately Check All Appropriate Boxes Below (must complete this section only if a Pre-Application was not submitted or if the Pre-Application did not satisfy the Department's review of Pre-Application threshold):**
   - ☐ I (We) certify that all required requests for Neighborhood Organizations pursuant to §49.9(h)(8)(A)(i) and/or other applicable Rules, were made in the format required in the *Neighborhood Organization Request* template by January 20, 2009, or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments no later than 14 days prior to the submission of the Threshold documentation.
   - ☐ I (We) certify that:
     - ☐ No reply letter was received from the local elected officials by February 20, 2009 (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to the submission of the Application), and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and the response indicated that the local elected officials know of no neighborhood organizations, and/or
     - ☐ A response was received from the local elected officials before February 20, 2009, (or for HOME, Housing Trust Fund, Tax Exempt Bond and Rural Rescue Developments by 7 days prior to submission of the Application) and I have notified those neighborhood organizations as required by and §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.9(h)(8)(A)(ii)(I) and/or other applicable Rules, and/or
     - ☐ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located and/or
     - ☐ The local elected officials referred to me (us) to another source, and I (we) requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.9(h)(8)(A) and/or other applicable Rules; and
     - ☐ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, Public *Notifications Format (Written)*.
   - ☐ I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.9(h)(8)(A)(ii) and/or other applicable Rules. The notifications were in the format provided in the template, *Public Notifications Format (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification Form*:
     - Superintendent of the school district containing the Development;
     - Presiding officer of the board of trustees of the school district containing the Development;

Initial:

Exhibit D

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 Pre-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.

☐ I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC or not older than 3 months for Volume 3 submissions for HOME, Housing Trust Fund, Tax-Exempt Bond and Rural Rescue Developments as required under §49.9(h)(8)(A).

SECTION B: This section must only by completed if mailings were completed in lieu of posting signage on the Development site:

☐ I (We) certify that pursuant to §49.9(h)(8)(B) and/or other applicable Rules, posting a public notification sign is prohibited by local ordinance or code, and I (We) have mailed written notifications. The notice was mailed through the U.S. Postal Service on __/__/__ (date of mailing), and these notifications contained all required in the *Public Notifications Format (Written)*.

SECTION C: This section must only be completed if the Application is for rehabilitation of an existing property that was occupied at the time of Application submission:

☐ I (We) certify Units in the Development are occupied at the time of Application, and have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications. If the public hearing schedule is not available at the time of Application submission, and WILL notify all tenants of the Department's public hearing schedule for comment on submitted Applications.

SECTION D: This section must be completed for all Competitive and 4% HTC Applications (regardless of the Bond Issuer):

☒ I (We) certify that if this is a Competitive Housing Tax Credit Application, the public notification sign was installed prior to the date the Application was submitted and that the TDHCA public hearing information (i.e. time, date and location) was posted to the sign (the TDHCA public hearing information will be updated on the Department's website by February 15, 2009 and the updated information will be disseminated to all persons on the Department's Listserve.); or for Tax Exempt Bond Developments, the public notification sign was installed, regardless of Priority or Issuer, within thirty (30) days of the Department's receipt of Volumes I and II AND the bond Tax Exempt Fiscal Responsibility Act (TEFRA) public hearing information (i.e. time, date and location) was posted to the sign at least thirty (30) days prior to the hearing date.

By: _____ 2/23/09 Its: Sole Member
Signature of Applicant/Owner *Date*

STATE OF: Texas
COUNTY OF: Harris

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Michael Lankford, whose 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 official seal this 23rd day of February 2009 (seal)

_____ 9/17/2012
Notary Public Signature *Commission Expires*

NOTARY PUBLIC STATE OF TEXAS
Stephanie Ngo
My Commission Expires
09/17/2012

Exhibit E

CERTIFICATION OF NOTIFICATIONS AT PRE-APPLICATION (Part III)

Pursuant to §49.8(d)(3), evidence of notifications includes this sworn affidavit and the *Public Notifications Information* Form

Must accurately Check all applicable boxes below:

- ☒ I certify that all required requests for Neighborhood Organizations were made pursuant to §49.8(d)(3)(A) and included the required information as provided in the *Neighborhood Organization Request* template by December 8, 2008.
- ☒ I certify that:
  - ☒ No reply letter (to the request for Neighborhood Organization information) was received from the local elected officials by January 1, 2009; and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and I have notified those neighborhood organizations as required by and §49.8(d)(3)(B); and/or
  - ☐ A response was received from the local elected officials before January 1, 2009, and the response indicated that the local elected officials know of no neighborhood organizations; and/or
  - ☐ I have knowledge of other neighborhood organizations on record with the city, state or county whose boundaries contain the proposed Development site and have notified those neighborhood organizations as required by §49.8(d)(3)(B); and/or
  - ☒ I know of no neighborhood organizations within whose boundaries the Development is proposed to be located; and/or
  - ☐ The local elected officials referred to me to another source, and I requested neighborhood organizations from that source. If a response was received, those neighborhood organizations were notified as required by §49.8(d)(3)(B). Date Mailed __/__/__
  - ☒ All neighborhood organizations that were notified are correctly listed on the *Public Notifications Information and Certification Form* and all notifications were made in the format provided in the template, *Public Notifications Format (Written)*. Date Mailed 1/6/09
- ☒ I certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §49.8(d)(3)(B)(i) through (ix). The notifications included the required information as provided in the template, *Public Notifications (Written)*. All of the following entities were notified and are correctly listed on the *Public Notifications Information and Certification 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 evidence is not required to be submitted in this Pre-Application, I understand evidence may be requested by the Department at any time during the Application review.

By: _____ 1/6/09 Its: Agent for GP
Signature of Applicant/Owner *Date*

STATE OF: Texas
COUNTY OF: Harris

I, the undersigned, a notary public in and for said County, in said State, do hereby certify that Lee Gannon, whose 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 official seal this 6th day of January, 2009 (seal)

Eileen L. Lapham 01-26-01
Notary Public Signature *Commission Expires*

EILEEN L. LAPHAM
MY COMMISSION EXPIRES
JANUARY 26, 20

Exhibit E

PUBLIC NOTIFICATIONS INFORMATION FORM (PAGE 4)

COUNTY COMMISSIONERS CONTINUED:

Name: NA District #:
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

Name: NA District #:
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

NEIGHBORHOOD ORGANIZATION(S) (Submit all neighborhood organizations in which the Applicant is/was required to notify under §49.8(d)(3)(B) of the QAP):

Name: NA
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

Name: NA
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

Name: NA
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

Name: NA
Address: City: State: ZIP:
Phone: ( ) - Fax: ( ) -

Exhibit F

FW: Submission of application

From: **Misael Arroyo** (misael.arroyo@tdhca.state.tx.us)
Sent: Mon 6/01/09 10:20 AM
To: 'mah1370@hotmail.com' (mah1370@hotmail.com)
Cc: Robbye Meyer (robbye.meyer@tdhca.state.tx.us)

Mr. Hartman, You are correct the application did come in on February 27, 2009.

Thanks,
Misael Arroyo

TDHCA/ Multifamily Finance Division
P.O. Box 13941 MC 332-10
Austin, TX 78711-3941
www.tdhca.state.tx.us
Phone: (512) 475-2596 Fax: (512)475-0764

-----Original Message-----
From: Robbye Meyer [mailto:robbye.meyer@tdhca.state.tx.us]
Sent: Monday, June 01, 2009 8:52 AM
To: Misael Arroyo
Subject: FW: Submission of application

Misael,

Will you check the receipt for this application and get the date for Mr. Hartman?

Robbye G. Meyer
Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701
(512) 475-2213 (V)
(512) 475-0764 (F)
-----Original Message-----
From: Michael Hartman [mailto:mah1370@hotmail.com]
Sent: Saturday, May 30, 2009 9:18 PM
To: Robbye Meyer
Cc: Clifton Phillips
Subject: Submission of application

Robbye,

On what date was application #09163 received by the Department? I would think it was 2/27/09, but I wanted to be certain.

Thanks,

Michael A. Hartman

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Inventory of Developments Placed in Service or Under Construction 1988-2008

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	Disabled Units	Apt. Phone #
94007	9% HTC		1994	1994	Fairfield East	905 S. Pana Maria	Karnes City	Karnes	78118	$28,925	24	24	Elderly	9	(830) 780-4674
						Karnes City Count	1								
70096	9% HTC		1990	1990	Katy Manor Apartments	5360 East 5th St.	Katy	Harris	77493	$34,602	36	36	General	1	(281) 371-7320
04284	9% HTC		2004	07/28/04	Katy Manor Apartments	5360 East 5th St.	Katy	Harris	77493	$110,808	48	48	General	2	(281) 371-7320
05209	9% HTC		2005	07/27/05	Providence Place Apartments	20100 Saums Rd.	Katy	Harris	77449	$984,852	174	166	Elderly	9	(713) 914-9200
060628	4% HTC		2006	12/14/06	Lancaster Apartments	20000 block of Park Row Dr & 1700 block of Snake River	Katy	Harris	77449	$1,137,297	252	252	General	0	(713) 334-5514
						Katy Count	4								
01455	4% HTC		2001	01/17/02	Millstone Apartments	23405 W. Fernherst	Katy(area)	Harris	77494	$600,679	248	248	General	13	(281) 392-1227
03006	9% HTC	FC	2003	07/29/02	Villas at Park Grove	600 Park Grove Dr.	Katy(area)	Harris	77450	$627,566	150	120	Elderly	8	(214) 772-2400
						Katy(area) Count	2								
04288	9% HTC		2004	07/28/04	Briarwood Apartment	513 E. 6th Street	Kaufman	Kaufman	75142	$173,148	48	48	General	3	(817) 732-1055
07089	9% HTC	04288	2007	10/12/06	Briarwood Apartment	513 E. 6th Street	Kaufman	Kaufman	75142	$7,000	0	0	General	0	(817) 732-1055
						Kaufman Count	2								
94005	9% HTC		1994	1994	Fireside Trails Apartments	213 West 4th St.	Keene	Johnson	76059	$43,263	36	36	Elderly	1	(817) 556-2752
96033	9% HTC	06673	1996	1996	Sherwood Arms Apartments	213 N. Val Verde Circle	Keene	Johnson	76059	$39,740	56	56	General	4	(817) 641-2682
						Keene Count	2								
04491	4% HTC		2004	12/13/04	Evergreen at Keller Senior Apartment Com	400 Block of Bourland Road	Keller	Tarrant	76248	$559,597	250	250	General	16	(972) 550-7800
						Keller Count	1								
98156	9% HTC		1998	1998	Kerrville Meadows Apartments	2300 Junction Hwy.	Kerrville	Kerr	78028	$318,044	76	76	Elderly	12	(713) 622-5844
00011	9% HTC		2000	2000	Heritage Oaks Apartments	2350 Junction Highway	Kerrville	Kerr	78028	$449,938	76	76	General	8	(830) 896-5151
07242	9% HTC		2007	07/30/07	Paseo de Paz Apartments	400 Blk of Clearwater Paseo	Kerrville	Kerr	78028	$712,276	76	73	General	6	(830) 257-5323
08135	9% HTC		2008	7/31/08	Gardens at Clearwater	400 Block of Clearwater Paseo	Kerrville	Kerr	78028	$760,867	80	80	Elderly	8	(830) 257-5323
08935	9% HTC	07242	2008	11/13/08	Paseo de Paz Apartments	400 Clearwater Paseo	Kerrville	Kerr	78028	$37,516	0	0	General	0	(830) 257-5323
						Kerrville Count	5								
04194	9% HTC		2004	07/28/04	Lexington Court	3407 U.S. Highway 259 North	Kilgore	Gregg	75662	$549,640	80	76	General	4	(979) 846-8878
08258	9% HTC		2008	7/31/08	Lexington Court Phase II	3509 US Hwy 259 N.	Kilgore	Gregg	75662	$693,584	76	76	General	8	(979) 846-8878
						Kilgore Count	2								
97043	9% HTC		1997	1997	Village at Fox Creek (fka the Williamsburg	2900 Illinois Ave.	Killeen	Bell	76543	$865,617	128	128	General	21	(254) 690-3301
99053	9% HTC		1999	1999	Veranda at Twin Creek	1101 Twin Creek Dr.	Killeen	Bell	76543	$421,854	88	88	Elderly	9	(254) 200-4553
03068	9% HTC		2003	07/30/03	Stone Ranch Apartments Homes	4400 East Rancier Avenue	Killeen	Bell	76543	$583,608	152	129	Elderly	12	(713) 626-9655
05164	9% HTC		2005	07/27/05	Ridge Pointe Apartments	1900 Bacon Ranch Road	Killeen	Bell	76542	$1,013,602	172	164	General	9	(713) 626-9655
06050	9% HTC	05164	2006	10/12/06	Ridge Pointe Apartments	1600 Blk Bacon Ranch Rd.	Killeen	Bell	76547	$97,664	0	0	General	0	(713) 877-0100
						Killeen Count	5								
93004	9% HTC		1993	1993	Windwood II Apartments	100 Windwood Drive	Kingsland	Llano	78639	$45,297	34	34	Elderly	6	(915) 388-9222
00050	9% HTC		2000	2000	TownePark in Kingsland	101 Townpark Dr.	Kingsland	Llano	78639	$586,577	76	76	Elderly	8	(325) 388-8137
04004	9% HTC	FC	2004	09/11/03	Kingsland Trails Apartments	4800 Block of 2900	Kingsland	Llano	78639	$444,394	76	60	General	8	(830) 693-4521
						Kingsland Count	3								
97027	9% HTC		1997	1997	Courts Of Las Palomas Apartments	600 General Cavazos Blvd.	Kingsville	Kleberg	78363	$514,980	128	128	General	0	(361) 516-0114
02043	9% HTC		2002	07/29/02	King's Crossing	1700 Corral Ave.	Kingsville	Kleberg	78363	$777,472	120	120	General	0	(713) 522-4141
07199	9% HTC		2007	07/30/07	Kingsville LULAC Manor Apartments	1220 N. 17th	Kingsville	Kleberg	78363	$491,514	88	88	General	9	(210) 821-4308

Exhibit G

Sharon Gamble

From: Loree Conrad [lconrad10@earthlink.net]
Sent: Saturday, June 13, 2009 8:28 PM
To: robbye.meyer@tdhca.state.tx.us
Cc: sharon.gamble@tdhca.state.tx.us
Subject: Complaint re: Application #09166

Neal Singh.jpg (465 KB)

Neal Singh 2.jpg (244 KB)

Neal Singh 3.jpg (54 KB)

Dear Ms. Meyer,

I would like to file a formal complaint re: Goldshire Townhomes, application # 09166.

As I spoke with you on the phone on June 11, I am disturbed that the applicant Navdip S. Sobti is applying using that name. He legally changed his name on January 18, 2008 (a year before this application) to Neal Singh. In his application, he uses both names, Navdip Sobti, and Neal Singh, as though they are 2 different people. He has signed both names before a Notary Public as though it were 2 individuals, rather than 1.

I am not a lawyer, so I cannot comment on the legality of this, but common sense seems to dictate that if you have legally changed your name, then you must use that name, and that name only, when you are filing an application for federal funds, and certifying that all information is true.

I have attached the scanned images of the Court decree granting the name change.

I feel that this application should be disqualified, based on this information, and Navdip Sobti/Neal Singh should never be allowed to participate in the Tax Credit Program again.

Thank you,
Loree Conrad
16427 Ember Hollow Lane
Sugar Land, TX 77498
281-277-5422 home
281-799-7155 cell

CAUSE NO. 07-CV-159941

IN THE MATTER OF	§	**IN THE DISTRICT COURT OF**
	§	
NAVDIP SINGH SOBTI,	§	**FORT BEND COUNTY, TEXAS**
	§	
AN ADULT	§	**387th JUDICIAL DISTRICT**

DECREE GRANTING NAME CHANGE OF ADULT

On the date below written, this Court heard the petition of petitioner Navdip Singh Sobti for a decree changing his name. Petitioner appeared before the Court in person. The Court, having considered the pleadings and having heard the evidence presented, makes the following findings:

1. The petitioner's present name is Navdip Singh Sobti.

2. The petitioner's place of residence is 4823 Menlo Park Drive, Sugar Land, Fort Bend County, Texas.

3. The full name requested for the petitioner is Neal Singh.

4. Petitioner is a Asian male who was born on January 4, 1964.

5. The petitioner's Texas Driver's License Number is 18260179, issued on April 9, 2007. The petitioner's Social Security Number is [redacted]

6. There is no assigned Federal Bureau of Investigation number, state identification number, or any other reference number in a criminal history record system that identifies the petitioner.

7. The petitioner is not subject to the sex offender registration requirements of The Texas Code of Criminal Procedure.

8. Petitioner has not been charged with any offense above the grade of a Class C Misdemeanor.

9. The Petitioner does not have a final felony conviction.

10. The change of name requested by petitioner is in the interest of, or to the benefit of the petitioner, and is in the interest of the public.

11. Pursuant to Section 45.104 of the Texas Family Code, the change of name granted in this Order does not release the petitioner from any liability incurred in the petitioner's previous name, nor does it defeat any right the petitioner may have in his previous name.

ENTERED

IT IS THEREFORE ORDER ADJUDGE AND DECREED that the name of Navdip Singh Sobti is changed to Neal Singh.

Signed this the 18 day of January, 2008.

JUDGE PRESIDING

APPROVED and REQUESTED:

FILED

JAN 18 2008

AT 9:07 A.M.

Clerk District Court, Fort Bend Co., TX

FREDERICK P. FORLANO
3050 Post Oak Blvd., Suite 1425
Houston, Texas 77056-6523
(713) 621-6611
(713) 621-4060 - FAX
FPForlano@suite1170.com - Email
SBN: 07258700

ATTORNEY FOR PETITIONER

I, Annie Rebecca Elliott, District Clerk of Fort Bend County, Texas, do hereby certify that the foregoing is a true, correct and full copy of the instrument herein set out as appears of record in the District Court of Fort Bend County, Texas.

This 10th day of June 2009

ANNIE REBECCA ELLIOTT, DISTRICT CLERK

By Lisa Sobola Deputy

June 15, 2009

Robbye Meyer
Director, Multifamily Finance Production Division
Texas Department of Housing and Community Affairs
PO Box 13941
Austin, TX 78711

RE: Challenge to validity of the neighborhood organization supporting application 09127, which received points under Section 49.9(1)(2) of the 2009 QAP.

Dear Ms. Meyer:

Please accept this letter as a formal challenge to the validity of the neighborhood organization that submitted a letter in support of application 09127, Sage Brush Village, which was granted points under Section 49.9(i)(2) of the 2009 QAP.

The neighborhood organization in question is the Key West Senior Village Neighborhood Association, and the letter was submitted by A. Faye Biggers.

Organization Appears to be a Resident Council
On the TDHCA Quantifiable Community Participation certification form, certification item 4 relates to the definition of Neighborhood Organization and asks the certifying individual to check one of four boxes: (1) Homeowners Association, (2) Property Owners Association, (3) Resident Council and our members occupy the existing development, or (4) Other.

In the submission to TDHCA, Ms. Biggers checked "Other" with the explanation "Elected to be Rep at Key West Senior Village." This response does not designate the type of neighborhood organization that best resembles the Key West Senior Village Neighborhood Association. We question whether Ms. Biggers was confused by the question or whether she is actually unsure what type of organization she represents. Under certification item 2 on the TDHCA Quantifiable Community Participation certification form, Ms. Biggers writes that her title is "President," which is slightly different than the "Rep" explanation she provided under item 4. Under certification item 8, Ms. Biggers signs as "Pres. Resident Board." In her handwritten support letter, Ms. Biggers signs as "Key West Senior Village Resident Board Member." Please see Attachment A for evidence of these differing titles.

In the last two items, Ms. Biggers signs that she is part of a "Resident Board." In fact, she does not sign her handwritten support letter as the "Key West Senior Village Neighborhood Association," but rather "Key West Senior Village" "Resident Board Member." The fact that she signed her support letter as the name of her apartment community raises serious questions about whether this organization is anything more than a resident group that represents the Key West Senior Village apartment community. In addition, we question whether the box for "Resident Council" may have been checked and then erased, due to the fact that the box appears to be altered. See evidence of this in Attachment B.

The association in question is called the "Key West Senior Village Neighborhood Association." The documentation for this organization has been submitted by Ms. Biggers with an address of 711 S. County Rd. West (apt. 1002), Odessa, TX 79763. This is the address for the Key West Senior Village apartment complex, and Ms. Biggers resides in the Key West Senior Village apartment complex. This information is confirmed by Sharon Laurence (responding for Randy Stevenson) in Attachment C.

Due to the fact that the name of the neighborhood association includes the name of the senior apartment complex where the person writing the letter of support resides, we question whether this organization is truly a neighborhood organization representing a broader area, or rather a person living in an apartment complex who has simply created a "resident council" with boundaries that include the development site of application 09127.

In her initial submission to TDHCA, the map submitted with the packet had different boundaries than what Ms. Biggers wrote under item 6 on the TDHCA Quantifiable Community Participation certification form. Ms. Biggers described only the 09127 proposed development site under item 6. Upon clarification of this issue during the deficiency process, Ms. Biggers writes that she did not "personally draw out outlines of Project Plat walked by AFB." In her letter, she provides an "amended description of the boundaries of the *proposed site*" so that the description matches the map that was provided. Please see Attachment D for this documentation. Ms Biggers appears to be confused about the boundaries of her neighborhood association, and she appears to be even further confused as to whether they are the boundaries of the "proposed site" or whether they are the boundaries of the alleged neighborhood association.

Relation to the Developer

Application 09127 has been submitted by Randy Stevenson, who is the sole member of the general partner and developer for the proposed development. Please see the owner and developer chart from the 09127 application in Attachment E. Mr. Stevenson was also the developer on the Key West Senior Village II project that was awarded Housing Tax Credits in 2007 as application 07151 (forward commitment 08092). Please see evidence of this in Attachment F, which can be found in the July 30, 2007, Competitive Housing Tax Credit Program Development Information Addendum to the Board Book. In this documentation, you will also see that the Key West Senior Village II application received a letter of support from Ms. A. Faye Biggers, who, at that time, was representing the Key West Neighborhood Association.

In 2006, Ms. Biggers submitted a letter in support of application 060140, Key West Senior Village II, as the Key West Neighborhood Organization (this letter was apparently also used for points for 07151). Please see the Key West Neighborhood Association's submission to TDHCA as Attachment G. This organization is described as an organization formed "by and for the residents" and the association's boundaries include only Key West Senior Village and the Key West Senior Village II site. Ms. Biggers is listed as the president of this association, with the address of 711 S. County Rd. West, #1002, Odessa, TX 79763.

The address of 711 S. County Rd. West in Odessa is the site of Key West Senior Village, which was a 2000 Housing Tax Credit application under application number 00023. Like Key West Senior Village II, the Key West Senior Village development awarded in 2000 and is managed by the Odessa Housing Authority.

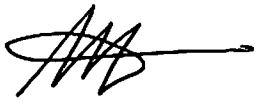
Here we have an individual, Ms. Biggers, (1) who resides in Key West Senior Village; (2) who formed the Key West Neighborhood Association, which wrote a letter of support for a property that Mr. Stevenson developed in 2006/2007; and (3) who is now "president" of a new neighborhood organization, Key West Senior Village Neighborhood Association, which has written a letter of support for a property, application 09127, Mr. Stevenson is now proposing to develop in 2009.

In conclusion, we are challenging the validity of the Key West Senior Village Neighborhood Association due to two points: (1) the organization appears to be a resident council and (2) the relationship between

the individual writing the support letter and the developer of the proposed application is suspicious. We believe that the points awarded to application 09127 under Section 49.9(i)(2) should be rescinded.

Thank you for your attention to this matter. Please let me know if you have any questions.

Sincerely,



Max Schleder
PO Box 639
Martindale, TX 78666
Phone: (512) 357-6636
Fax: (512) 357-2860
Max1@home-reno.com

Attachment A

FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. ☐ **This organization is submitting this form and attachments regarding the following proposed application:**
   Development Name: SAGE BRUSH Village TDHCA #: 09127
   Development Location: 3500 West 8th st
   Development City: ODESSA, Texas Development County: Ector.

2. ☐ **The persons signing this form have the authority to sign on behalf of this organization.**
   Organization Name: Key West Senior Village Neighborhood Asso.
   1st Contact Name and Title: A. F. Biggers President
   1st Contact Mailing Address: 411 S. Co. Rd W.
   1st Contact City: Odessa, Tex. 1st Contact Zip Code: 79763
   1st Contact Day Phone: 432-337-2071 1st Contact Fax:
   1st Contact Evening Phone: SAME 1st Contact E-Mail:

3. ☐ **This organization is also providing the following additional contact and information for our organization:**
   2nd Contact Name: Lourdes Cherry
   2nd Contact Day Phone: 432-337-9110 2nd Contact Fax:
   2nd Contact Evening Phone: SAME 2nd Contact E-Mail:

4. ☐ This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):

   ☐ **Homeowners Association**

   ☐ **Property Owners Association**

   ☐ **Resident Council and our members occupy the existing development**

   ☑ **Other (Explain** Elected To Be Rep at Key West Senior Village.

A.F.B.
Initials of Signer

Attachment A

8. **Certify the following:**

☑ This organization acknowledges that this form and attachments must be submitted **no later than February 27, 2009** if the form (and enclosures) is relating to an application which submitted a pre-application or **April 1, 2009** if the form (and enclosures) is relating to an application which did not submit a pre-application.

applied on time. G.F.B.

☑ This organization certifies that it was not formed by any Applicant, Developer or any employee or agent of any Applicant in the 2009 Competitive Housing Tax Credit Application Round; the organization, and any members, did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition; the Applicant, Developer or any employee or agent of any Applicant has not provided any assistance, other than education and information sharing, to the neighborhood organization for any application in the Application Round (i.e. hosting a public meeting, providing the "TDHCA Information Packet for Neighborhoods" to the neighborhood organization, or referring the neighborhood organization to TDHCA staff for guidance are acceptable forms of assistance); and that the Applicant, Developer or any employee or agent of any Applicant has not provided any "production" assistance for any application in the Application Round (i.e. use of fax machines owned by the Applicant, use of legal counsel related to the Applicant, delivery of letter or assistance drafting a letter).

G. Biggers

☐ This organization acknowledges that this completed form and required attachments must be submitted to Texas Department of Housing and Community Affairs, Attention: Director of Multifamily Finance, Neighborhood Input, P.O. Box 13941 (MC 332-10), Austin TX 78711-3941. For overnight or courier delivery use the following physical address: 221 East 11th Street, Austin TX 78701-2410. **Do not use P.O. Box address for overnight or courier delivery**. Form and Attachments may also be faxed to (512) 475-1895 or toll free at (800) 733-5120.

☐ This organization certifies that all certifications contained herein are true and accurate. **(First and Second Contacts must sign below):**

G. Faye Biggers — **(First Contact Signature)**

2-24-09 — **(Date)**

A. FAYE BIGGERS — **(Printed Name)**

Pres. Resident Board — **(Title)**

* Lourdes Cherry — **(Second Contact Signature)**

2-25-09 — **(Date)**

L.C. — **(Printed Name)**

RETIRED BUSINESS OWNER — **(Title)**

to the residents no matter their age group. This site of these multiple affordable housing units, will be near one of the most convenient shopping Centers in Odessa, Wal Mart Shopping Center, which most citizens of Odessa declares is absolutely necessary for daily buying.

Odessa's economy is mind boggling, in that there is an abundance of jobs, plus men wanting to work, But there is a drastic shortage of affordable housing for their families.

Mr. Stevenson, I sincerely hope you get to build your Sage Brush Village. People of all ages will be knocking on your door.

Thank you for considering Odessa. We truly need your help and interest.

Sincerely,

A. Faye Biggers
Key West Senior Village
Resident Board Member

Attachment B

FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. ☐ **This organization is submitting this form and attachments regarding the following proposed application:**
   Development Name: SAGE BRUSH Village TDHCA #: 09127
   Development Location: 3500 West 8th st
   Development City: ODESSA, Texas Development County: Ector.

2. ☐ **The persons signing this form have the authority to sign on behalf of this organization.**
   Organization Name: Key West Senior Village Neighborhood Asso.
   1st Contact Name and Title: A. F. Biggers President
   1st Contact Mailing Address: 411 S. Co. Rd W.
   1st Contact City: ODESSA, Tex. 1st Contact Zip Code: 79763
   1st Contact Day Phone: 432-337-2071 1st Contact Fax:
   1st Contact Evening Phone: SAME 1st Contact E-Mail:

3. ☐ **This organization is also providing the following additional contact and information for our organization:**
   2nd Contact Name: LOURDES CHERRY
   2nd Contact Day Phone: 432-337-9110 2nd Contact Fax:
   2nd Contact Evening Phone: SAME 2nd Contact E-Mail:

4. ☐ This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):

   ☐ **Homeowners Association**

   ☐ **Property Owners Association**

   ☐ **Resident Council and our members occupy the existing development**

   ☑ **Other (Explain** ELECTED TO BE REP AT KEY WEST SENIOR Village.

A.F.B.
Initials of Signer

FORM FOR QUALIFIED NEIGHBORHOOD ORGANIZATIONS TO SUBMIT TO TDHCA FOR QUANTIFIABLE COMMUNITY PARTICIPATION

Texas Department of Housing and Community Affairs

Certify to each requirement by checking each box as required and accurately filling in all blanks. All attachments must be included in QCP submission package.

1. ☑ **This organization is submitting this form and attachments regarding the following proposed application:**
   Development Name: SAGE BRUSH Village TDHCA #: 09127
   Development Location: 3500 West 8th st
   Development City: ODESSA, Texas Development County: Ector.

2. ☑ **The persons signing this form have the authority to sign on behalf of this organization.**
   Organization Name: Key West Senior Village Neighborhood Assn.
   1st Contact Name and Title: A.F. Biggers President
   1st Contact Mailing Address: 411 S. Bo. Rd #1.
   1st Contact City: ODESSA, Tex. 1st Contact Zip Code: 79763
   1st Contact Day Phone: 432-337-2071 1st Contact Fax: ~~Do Not Make Fax~~ Fax # 432-332-2222 Key West Club House where I reside and the office staff will distribute any items sent to me.
   1st Contact Evening Phone: SAME 1st Contact E-Mail: No - email

3. ☑ **This organization is also providing the following additional contact and information for our organization:**
   2nd Contact Name: LOURDES C. HERRY
   2nd Contact Day Phone: 432-337-9110 2nd Contact Fax: No CONTACT by Fax
   2nd Contact Evening Phone: SAME 2nd Contact E-Mail: DITTO on E-mail

4. ☑ This organization certifies that it meets the definition of "Neighborhood Organization" as defined in §49.3(66) of the 2009 Qualified Allocation Plan and Rules and is an organization comprised of persons living near one another within the organization's defined boundaries and that it has a primary purpose of working to maintain or improve the general welfare of the neighborhood. This organization further certifies that it is a (must check on of the following boxes):

   ☐ **Homeowners Association**

   ☐ **Property Owners Association**

   ☐ **Resident Council and our members occupy the existing development**

   ☑ **Other (Explain** ELECTED To Be Rep AT Key West Senior Village.

A.F.B.
Initials of Signer

Attachment C

Nicole Fisher

From: Randy Stevenson [swrealty@juno.com]
Sent: Thursday, March 26, 2009 1:20 PM
To: nicole.fisher@tdhca.state.tx.us
Subject: Re: 09127 Sage Brush Village

Nicole,

We contacted the manager at Key West Senior Village and Fay Biggers' address should have Apt. 1002 shown after the 711 South County Road West listing. She is a resident of Key West Senior Village. Her telephone number is correct but apparently she does not have an answering recorder. We believe the contact phone number for the 2nd person is also correct.

The management office at Key West has a fax number of 432-332-2222 and the office number is
432-332-2300. The manager's name is Jessica Parra. If you fax or call the manager, she might can confirm if Ms. Biggers is home or deliver a message.

Please let us know if we can do something else to help you.

Sharon Laurence for Randy Stevenson

Rock Solid Web Hosting. Click Here.
http://thirdpartyoffers.juno.com/TGL2141/fc/BLSrjpTJQdRpiUYflbLFu3FpiM3zF6p82oDeviFGEs3fNmTVG2ArcAPpLLC/

5. **Certification of Record**: Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

☐ On record, as of February 27, 2009, with the county in which the development is proposed to be located. **(Attach boundary map and documentation from the county of registration)**

☐ On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. **(Attach boundary map and documentation from the Secretary of State of registration)**

☑ Boundary map attached. On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). **(Attach boundary map)**

6. **Boundary Description and Certification:** Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Area as marked.

Written Boundary Description:
attached is letter covering inspection of site
North Boundary is 17th St. + South Boundary is 8th. St.
West Boundary is Hoop 938. 10th street located on north side.

☐ This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

7. **Statement of Support/Opposition:** (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

☑ **Support** the application for Competitive Housing Tax Credits referenced above for the following reasons:
all reasons are included in enclosed letter.
G.S.B.

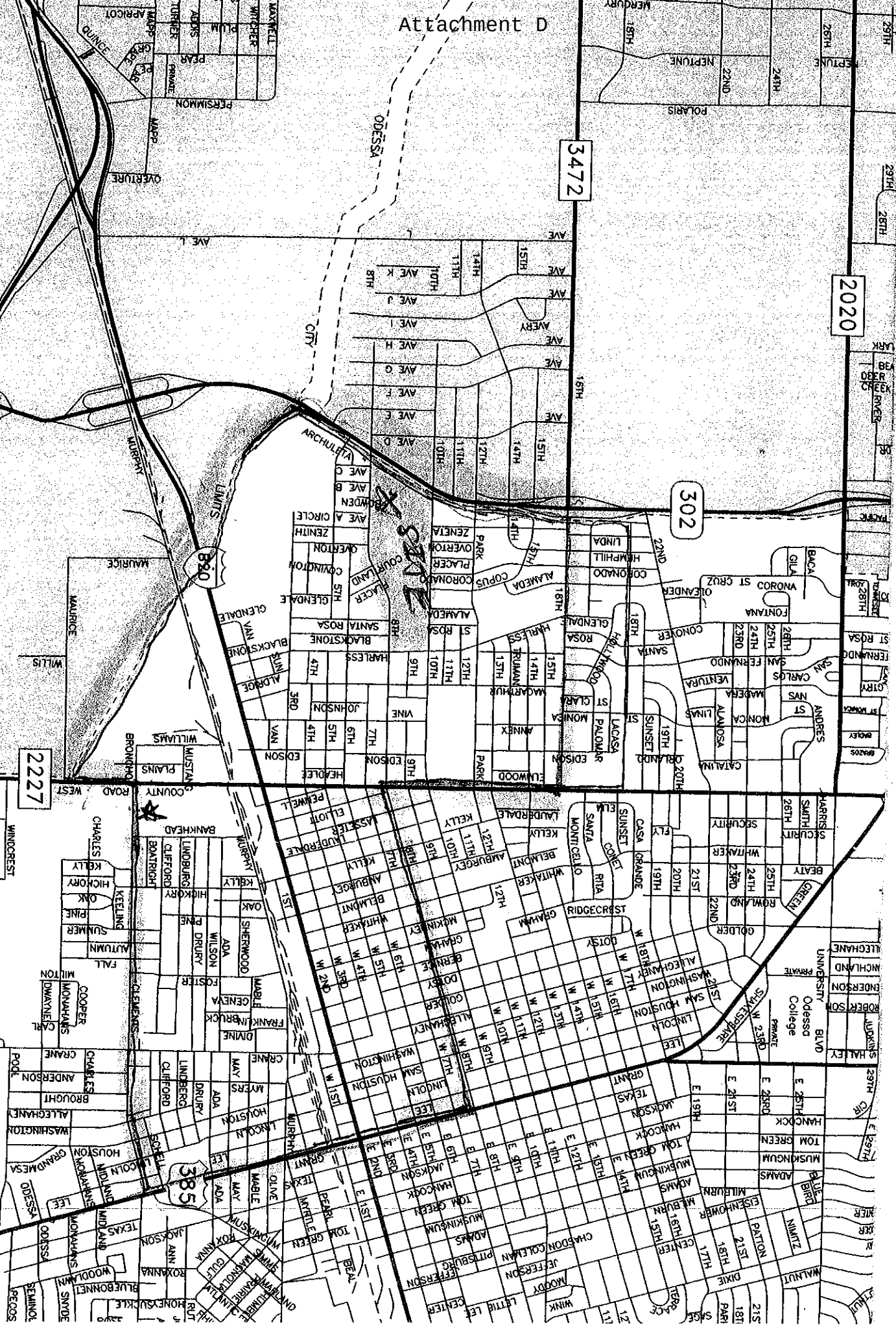
☐ **Oppose** the application for Competitive Housing Tax Credits referenced above for the following reasons:

_____

_____

G.S.B.
Initials of Signer

Attachment D



5. **Certification of Record:** Choose one box. Registration with the county or with the Secretary of State both requires proof of registration. All 3 selections require a boundary map. The boundary map should be legible, clearly marked with the geographical boundaries of the neighborhood organization, and indicate the location of the proposed development.

This organization certifies that it was:

☐ On record, as of February 27, 2009, with the county in which the development is proposed to be located. **(Attach boundary map and documentation from the county of registration)**

☐ On record, as of February 27, 2009, with The Secretary of State as an incorporated entity in good standing. **(Attach boundary map and documentation from the Secretary of State of registration)**

☑ On record or requesting to be on record, as of February 27, 2009, with The Texas Department of Housing and Community Affairs (the "Department"). **(Attach boundary map)** Boundary map attached. Did not personally Draw outline of Project. Plot walked by G.F.B.

6. **Boundary Description and Certification:** Provide a written description of the geographical boundaries of the neighborhood organization and check the box certifying the boundaries include the Development site. (Example: North boundary is Main St, East boundary is a railroad track, South boundary is First St and West boundary is Jones Ave)

Area so marked.

Written Boundary Description:
attached is letter covering inspection of site
North boundary is 17th St. - South boundary is 8th St.
West boundary is Hwy 338. 10th street located on north side.

☑ This organization certifies that the boundaries of this organization include the proposed Development site in its entirety. This organization acknowledges that annexations after February 27, 2009 are not considered eligible boundaries and a site that is only partially within the boundaries will not satisfy the requirement that the boundaries contain the proposed Development site.

7. **Statement of Support/Opposition:** (Choose only one box and clearly and concisely state at least one or more reason(s) for the organization's support/opposition; use additional sheets, as needed.)

This organization certifies that we:

☑ **Support** the application for Competitive Housing Tax Credits referenced above for the following reasons:
All reasons are included in enclosed letter.
G.F.B.

☐ **Oppose** the application for Competitive Housing Tax Credits referenced above for the following reasons:

G.F.B.
Initials of Signer

3-30

To: Nikki Fisher From: A. Faye Biggers

First:

The following is an ammended description of the boundaries of the proposed site.

From County Road West and Clements go south to County Road West and Maurice. From there boundaries until you reach Loop 338. From that paint paint go north to 18th Street. Then head east on 18th Street until you reach County Road West. Head south on County Road to West 8th Street. Go east on West 8th Street to 385. Take 385 South to Clements Road to West County Road, which is where you started from. This is a description of our boundaries.

Second Item: Although I do not have an E-mail address, I can receive mail through the clubhouse where I reside. That fax number is 432-332-2222. The staff will notify me that I have mail.

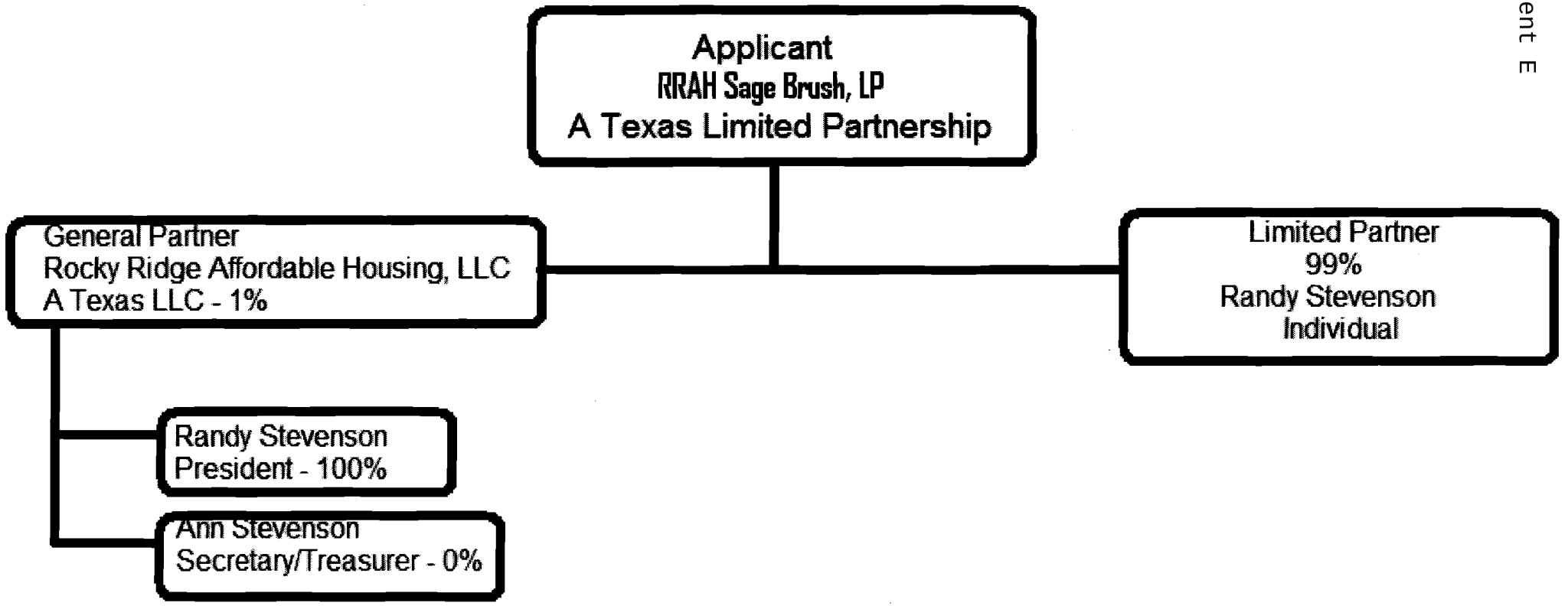
Yours truly,

A. Faye Biggers

Organization Ownership Chart

Sage Brush Village

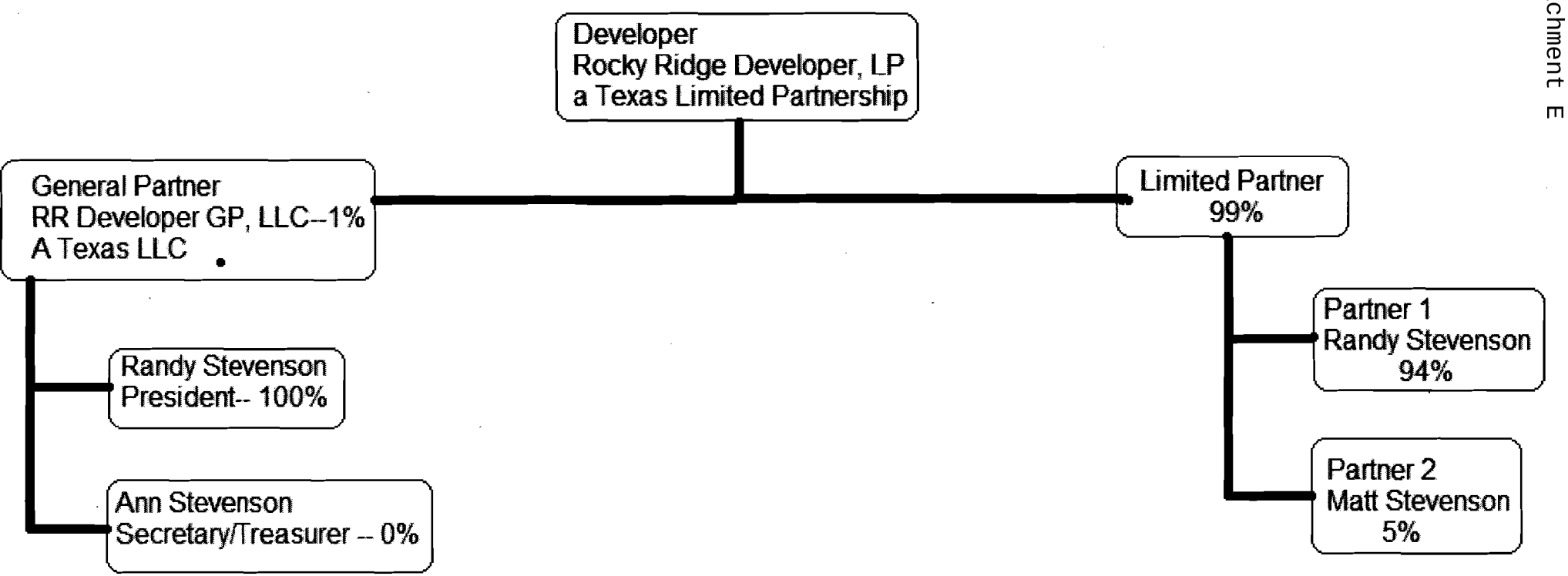
Odessa, Tx



Attachment E

Developer Organization Chart

Sage Brush Village



Attachment E

Attachment F

MULTIFAMILY FINANCE DIVISION
July 30, 2007
Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Key West Village Phase II, TDHCA Number 07151

BASIC DEVELOPMENT INFORMATION

Site Address:	1600 W. Clements			Development #:	07151
City:	Odessa	Region:	12	Population Served:	Elderly
County:	Ector	Zip Code:	79763	Allocation:	Urban/Exurban

HTC Set Asides: ☐ At-Risk ☑ Nonprofit ☐ USDA ☐ Rural Rescue HTC Housing Activity*: NC

HOME Set Asides: ☐ CHDO ☐ Preservation ☐ General Acquisition: ☐

*HTC Housing Activity: Rehabilitation=RH, Reconstruction=RC, New Construction=NC

OWNER AND DEVELOPMENT TEAM

Owner:	Odessa Senior Housing Partnership II, Ltd.	
Owner Contact and Phone:	Bernadine Spears	(432) 333-1088
Developer:	Rocky Ridge Developer, LP	
Housing General Contractor:	To Be Determined	
Architect:	Beeler, Guest, Owens Architects, L.P.	
Market Analyst:	Ed Ipser & Associates, Inc.	
Syndicator:	MMA Financial	
Supportive Services:	Odessa Housing Authority	
Consultant:	N/A	

UNIT/BUILDING INFORMATION

Unit Breakdown:

30%	40%	50%	60%
4	0	0	32

Eff	1 BR	2 BR	3 BR	4 BR	5 BR
0	28	8	0	0	0

Total Restricted Units:	36
Market Rate Units:	0
Owner/Employee Units:	0
Total Development Units:	36
Total Development Cost*:	$0
Number of Residential Buildings:	9
HOME High Total Units:	0
HOME Low Total Units:	0

Type of Building:

☐ Duplex ☐ 4 units or more per building
☐ Triplex ☐ Detached Residence
☑ Fourplex ☐ Single Room Occupancy
☐ Townhome ☐ Transitional

*Note: If Development Cost = $0, an Underwriting Report has not been completed.

FUNDING INFORMATION

	Applicant Request	Department Analysis*	Amort	Term	Rate
Competitive Housing Tax Credit Amount:	$237,938	$0			
HOME Activity Fund Amount:	$0	$0	0	0	0.00%
HOME CHDO Operating Grant Amount:	$0	$0			

*Note: If an Underwriting Report has not been completed and the application is recommended for an award, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

Attachment F

MULTIFAMILY FINANCE DIVISION

July 30, 2007

Competitive Housing Tax Credit Program

Development Information, Public Input and Board Summary

Key West Village Phase II, TDHCA Number 07151

PUBLIC COMMENT SUMMARY

Guide: "S" = Support, "O" = Opposition, "N" = Neutral, "NC" or Blank = No Comment

State and Federal Officials with Jurisdiction:

TX Senator: Seliger, District 31, S Points: 7 US Representative: Conaway, District 11, NC

TX Representative: West, District 81, S Points: 7 US Senator: NC

Local Officials and Other Public Officials:

Mayor/Judge: S, Larry L. Melton, Mayor Resolution of Support from Local Government ☐

S, Michael Sanchez, Council member District 5 S, Wendell Sollis, Superintendent, Ector County ISD

S, Armando S. Rodriguez, Commissioner Precinct #4 S, Susan M. Redford, County Judge Ector County

Individuals and Businesses In Support: **5** In Opposition **0**

Quantifiable Community Participation Input:

Key West Neighborhood Association, A. Faye Biggers Letter Score: 24 S or O: S

Community Desperately Needs Additional Approved Senior Citizen Housing.

Community Input Other than Quantifiable Community Participation Input:

General Summary of Comment:

Broad support from elected officials, non-officials and a qualified neighborhood organization. Received supportive comments during public comment period of June and July Board meetings. Commenters requested forward commitments of 2008 tax credits.

CONDITIONS OF COMMITMENT

Attachment F

MULTIFAMILY FINANCE DIVISION
July 30, 2007
Competitive Housing Tax Credit Program
Development Information, Public Input and Board Summary

Key West Village Phase II, TDHCA Number 07151

RECOMMENDATION BY THE EXECUTIVE AWARD AND REVIEW ADVISORY COMMITTEE IS BASED ON:

Competitive Housing Tax Credits: ☑ Score: **196** ☐ Meeting a Required Set-Aside Credit Amount*: $0

Recommendation: Not Recommended: Does not have a competitive score within its allocation type and region.

HOME Activity Funds: Loan Amount: $0

HOME CHDO Operating Expense Grant: Grant Amount: $0

Recommendation:

*Note: If an Underwriting Report has not been completed, the credit amount recommended is the Applicant Request (pending the Financial Feasibility Analysis).

Attachment G: 19 Pages

060140

RECEIVED
MAR 30 2006
LIHTC

Key West Neighborhood Association
1600 W. Clements
Odessa, Tx 79763
432-332-2300

RECEIVED
MAR 30 2006
EXECUTIVE

March 29, 2006

Texas Department of Housing and Community Affairs
Attention: Executive Director (Neighborhood Input)
221 East 11th Street
Austin, Tx 78701-2410

Re: **Key West Village Phase II**

I am writing on behalf of our Neighborhood association about the proposed Development on Key West Lot 2 Block 1 of Key West Addition, on the corner of County Road West and Clements street which therein lies within our boundaries. Our association's boundaries extend from Bankhead Avenue to County Road West and Clements Street to the fence separating our community from RedMan Industries, located in Odessa, Tx, Ector County. (see enclosed map).

Our organization is comprised of seventeen members that are residents of Key West Senior Village. It was officially formed by and for the residents, and requested to be recorded with TDHCA on February 23, 2006. Key West Neighborhood Association was not formed by any applicant, developer, or any employee or agent of any applicant in the 2006 tax credit application round. Our association did not accept any money or gifts to cause our support. Our association received notice from Sharon D. Gamble, Multifamily Housing Specialist, on March 23, 2006 to submit actual boundaries. The requested information was then faxed to Ms. Sharon Gamble on March 27, 2006. We are still waiting on word from TDHCA, however would like to submit our letter of Support before deadline.

We learned of the proposed site and held a meeting to inform our members and came to a unanimous decision to vote on the addition. Our meeting was held on March 23, 2006 in

which ten members were able to attend and cast their vote. Upon conclusion the Association has voted FOR the proposed site. Among the reasons for our decision it would further enhance our community's appearance and provide an opportunity for more senior housing in our area. Also, we concluded that providing more housing in this area could possibly encourage economical growth in an area that is predominantly industrial and rural.

Enclosed is a copy of our Constitution, map, Constitution, member list and correspondence with Texas Department of Housing and Community Affairs to complete recording with the state.

Sincerely,

A. Faye Biggers

A. Faye Biggers
President
432-332-2300

TEXAS
DEPARTMENT OF HOUSING
AND COMMUNITY AFFAIRS

WWW.TDHCA.STATE.TX.US

March 20, 2006

RICK PERRY
Governor

EDWINA P. CARRINGTON
Executive Director

BOARD MEMBERS
Elizabeth Anderson, Chair
Shadrick Bogany
C. Kent Conine
Vidal Gonzalez
Patrick R. Gordon
Norberto Salinas

A. Faye Biggers
President
Key West Neighborhood Association
1600 West Clements
Odessa, Texas 79763

Dear Ms. Biggers:

Please be advised that I am in receipt of your letter indicating your interest in recording the Crystal Knoll Terrace Unit 3 Homeowner's Association with the Texas Department of Housing and Community Affairs (the Department) for purposes of commenting on one or more Housing Tax Credit Program applications.

I am writing to let you know that your letter did not contain all of the necessary items for recording as required under §50.9(i)(2) of the Qualified Allocation Plan and Rules, which is the rule that governs the Housing Tax Credit Program. Below is a list of the items that were not addressed in your letter:

- The boundary description must delineate the actual geographical boundaries of the organization, whether they are actual streets or landmarks (like a river or the city limits). The map of the organization's geographical boundaries must depict the same boundaries as those indicated in the letter. Submit the actual geographical boundaries of your organization along with a map that shows the actual boundaries of the organization highlighted.

All of the above noted documents must be received by the Department no later than Wednesday, March 29, 2006. This documentation should be sent to my attention at PO Box 13941, Austin, Texas 78711-3941 or may be faxed to my attention at 512-475-0764 or emailed to sharon.gamble@tdhca.state.tx.us .

Note that this letter does not address deficiencies that may exist for any Quantifiable Community Participation letter(s) your organization may have submitted; this letter refers only to the request for recording of your organization. I look forward to your prompt response so that we can ensure that your organization is properly recorded with the Department.

Sincerely,

Sharon D. Gamble
Multifamily Housing Specialist
512-475-4610

1600 W. Clements
Odessa, Tx 79763
Phone: 432-332-2300
Fax: 432-332-2222

Key West Neighborhood Association

Fax

To:	Ms. Sharon D. Gamble	**From:**	A. Faye Biggers
Fax:	512-475-0764	**Date:**	March 27, 2006
Phone:	512-475-4610	**Pages:**	3
Re:	Boundary Description	**CC:**	

☐ **Urgent** ☒ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

•Comments:

see attached

Key West Neighborhood Association
1600 W. Clements
Odessa, Tx 79763
9432)332-2300
Fax (432)332-2222

March 27, 2006

Ms. Sharon D. Gamble
Multifamily Housing Specialist
Texas Department of Housing and Community Affiars
221 E. 11th St.
Austin, Tx 78701-2410

Re: Boundary Description

I am writing in reply to your letter dated March 20, 2006, in which you request the actual boundaries of our organization. Our boundaries are as follows;

from Clements Street up North to the fence line that separates Key West Senior Village and RedMan Industries, and County Road West to the East to Bankhead Avenue.

Please accept this description and the enclosed map with the highlighted boundaries for proper recording with the Department.

Sincerely,

A. Faye Biggers

A. Faye Biggers
President

Attachments:
Map with highlighted boundaries

TRANSMISSION VERIFICATION REPORT

TIME : 03/29/2006 15:38
NAME : KEYWEST
FAX : 4323322222
TEL : 4323322300

DATE,TIME	03/29 15:36
FAX NO./NAME	3639121
DURATION	00:01:37
PAGE(S)	07
RESULT	OK
MODE	STANDARD ECM

CONSTITUTION

Local Constitution of the **_Key West Neighborhood Association_____.**

ARTICLE I

NAME AND PURPOSE

SECTION A: The name of this organization shall be the _____ **_____Key West Neighborhood Association_____.**

SECTION B: The purpose of this organization shall be:

1. To operate the citizenry of the _____ **_____Key West Neighborhood Association_____** area into an organization for mutual upkeep of the area in which they live.
2. To cooperate with governmental agencies for maximum efficiency of services.
3. To survey the general needs of the area and devise methods of achieving desired improvements.
4. To protect property values by maintaining our residential section for residential purposes; to enhance the beauty of public areas; to support property restrictions and enforcement of city ordinances and state laws pertaining to a proper and healthy environment.
5. To inform the residents of the area about future development plans, zoning plans, and the relations with governmental agencies having jurisdiction and taxing authority over the area.

ARTICLE II

ORGANIZATION

SECTION A: The **___Key West Neighborhood Association_____**, an unincorporated association of Odessa, Ector County, Texas is a __Neighborhood Assoc.___ civic organization of the citizens who reside in the city of Odessa, Texas.

SECTION B: Its function shall be directed by a Board of Directors.

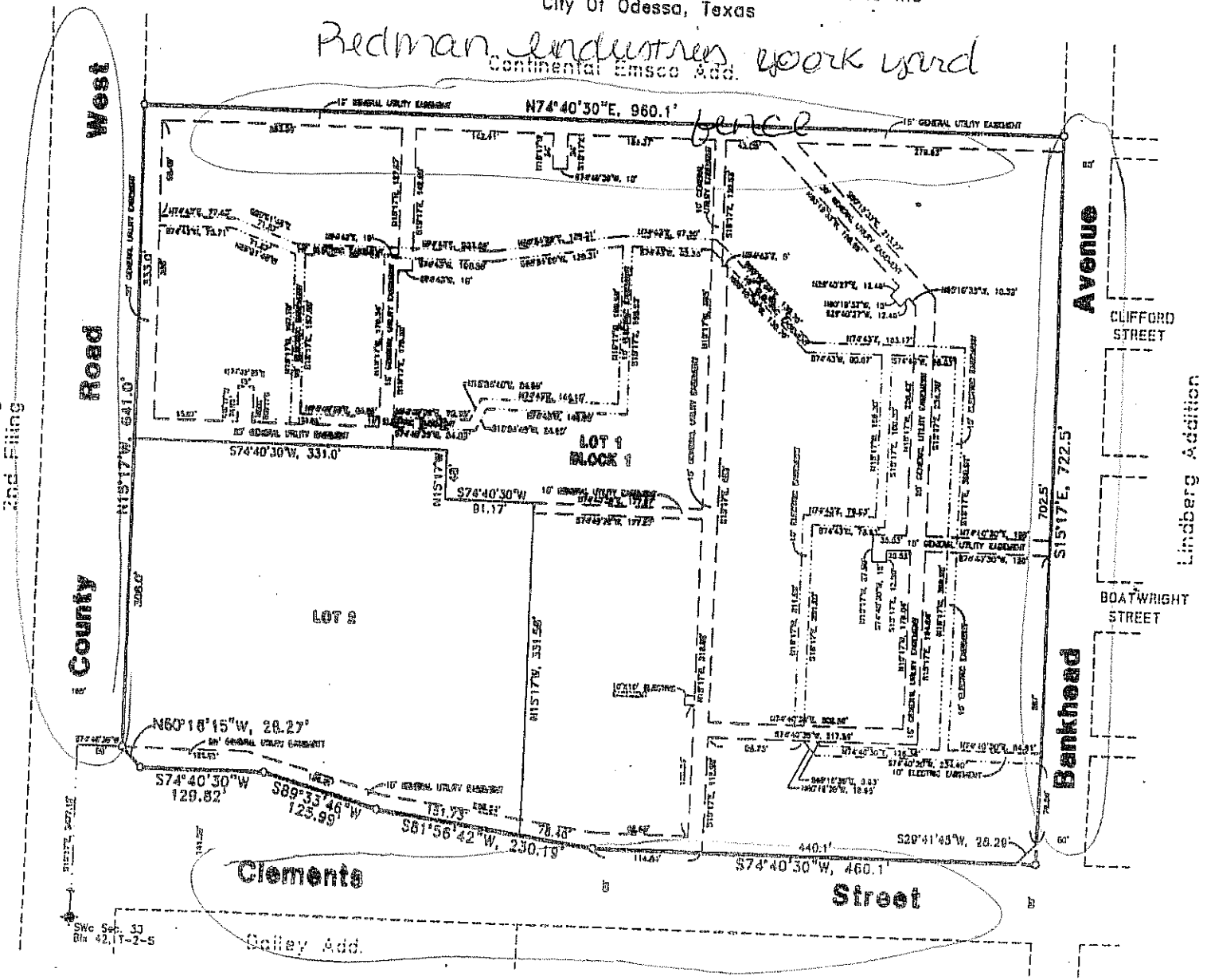
00-26P 2002
H

KEY WEST ADDITION

TO THE CITY OF ODESSA, ECTOR COUNTY, TEXAS

Being a Subdivision of 15.218 Acres of Land in Section 33, Block 42, T-2-S, T&P Ry. Co. Survey, Ector County Texas, and All of Lot 1, Block 1, E. L. Farmer Addition to the City Of Odessa, Texas

Redman Industries work yard



ARTICLE III

MEMBERSHIP

SECTION A: Any resident of the defined area who subscribes to the general purpose of the organization is eligible for active membership.

SECTION B: Instead of dues, whenever expenses occur or funds are needed divide the total evenly among household (not among individual members) of the organization and assign Budget Committee to collect this. No members shall be obligated to pay this assessment without his/her personal consent.

SECTION C: The Defined Area of the Neighborhood association and Board of Directors shall be **_Lot 1 & 2, Block 1 Key West Addition to the City of Odess, Ector County, Texas__**.

ARTICLE IV

OFFICERS

SECTION A: Enumeration of Officers and Directors. The officers of the organization shall be, but not limited to, President, Vice President, Treasurer, and Secretary, who shall also be the Association's elected Board Members and shall constitute the Board of Directors of which the President shall be the presiding officer. They shall do the customary work of such officers and shall be unpaid.

SECTION B: Election of Officers And Term of Office. The President, Vice President, Treasurer and Secretary shall be elected at the annual meeting and shall take office immediately and shall serve until the next annual meeting. No officer shall serve more than three consecutive terms in the same office.

SECTION C: Procedure For Electing Officers And Board Members. Prior to the expiration of the term of office for elected officers and board members, and before the annual meeting of the organization, a nominating committee consisting of three (3) members shall select not more two individuals for each of the positions to be filled. The nominating committee shall present the name of the individuals selected for the various positions before the organization, majority vote is required for election. In the event that no individual receives a majority vote, his name will be withdrawn and nominations shall be made by members of the organization.

SECTION D: Initial Board of Directors and Officers: The initial Board of Directors and officers shall be the following who will hold office until their successors are elected in accordance hereto:

President: **A. Faye Biggers**
Vice-President: **Jay Hooks**
Secretary: **Maria Tenario**
Treasurer: **JoAnn Gillum**

SECTION E: Additional Officers. The Board of Directors may from time to time establish additional officers. Such officers shall have such title, duties, and powers as the Board of Directors shall provide and shall serve as directed by the Board of Directors.

ARTICLE V

DUTIES OF OFFICERS

SECTION A: PRESIDENT:

1. Preside over the conducted meetings according to accepted procedures.
2. Call special meetings.
3. Keep members aware of subject within time limits.
4. Appoint committees and serve as ex-official members of the committees.
5. Represent the organization and speak on occasions.
6. Coordinate organization effort by keeping in close touch with all officers and members.
7. Follow-up organizational activities and check on progress being made.
8. Uphold the constitution, and policies of the organization.
9. Suggest ways and means to the board of Directors that are essential to accomplish long range and immediate goals.

SECTION B: VICE PRESIDENT:

1. Assist the President.
2. Have charge of committee work in general.
3. Preside at meetings in absence of President.
4. Be prepared to assume duties and responsibilities of President.
5. Direct the administrative function of the organization.

SECTION C: SECRETARY:

1. Prepare and read the minutes of meetings.

2. Have available for the President the list of business for each meeting.
3. Attend to official correspondence.
4. Send out and post notices.
5. Count and record rising vote when taken.
6. Prepare organization and committee reports.
7. Call meeting to order in the absence of a presiding officer.
8. Read incoming correspondence at meetings.
9. Have on hand at all meetings the following:
    a. Official Secretary's Book and minutes of previous meetings.
    b. List of committee reports.
    c. Copies of program of work.
    d. Copies of constitution and policies of organization.
10. Keep up-to-date card on residents.

SECTION D: TREASURER:

1. Receive and act as custodian of organizational funds.
2. Assists in preparing an annual budget of estimated receipts and expenditures.
3. Keep financial records of the organization.
4. Pay out organization funds as authorized.
5. Cooperate with the Secretary in keeping an accurate membership roll (card on residents).
6. Prepare financial statements and reports.
7. Deposit all organization money in a Bank assigned by the Board of Directors not later than Twenty-four (24) hours after receipt.

ARTICLE VI

BOARD OF DIRECTORS

SECTION A: POWERS: The Board of directors shall have full charge of any assets of the organization and shall have general control and direction of the policies and activities of the organization.

SECTION B: COMMITTEES: The Board of Directors shall approve of the appointment of such committees from time to time deemed necessary to carry out the aims of the organization.

SECTION C: No person shall speak for the organization unless authorized by the Board of Directors.

ARTICLE VII

REMOVAL

SECTION A: An officer or a member of the Board of Directors may be removed from office by a majority of the total membership or the Board of Directors.

ARTICLE VIII

RESIGNATION

SECTION A: Any member of the organization, Board of Directors of any officer may resign by a written notice to the Secretary, or by statement at the meeting of the board of Directors, or of the organization, and such resignation shall be effective at the time specified.

ARTICLE IX

VACANCIES

SECTION A: Vacancies among the officers or on the Board of Directors may be filled by the Board pending the annual meeting. The Board of Directors may continue to act not with standing vacancies on the Board provided, that there shall be a simple majority of Board members present to constitute a quorum. The President shall abstain from voting except when breaking a tied vote.

ARTICLE X

QUORUM

SECTION A: For special meetings of the Board of Directors, a simple majority of the members of the Board shall constitute a quorum.

SECTION B: For special meeting of the organization a simple majority of the membership shall constitute a quorum.

SECTION C: For regular meeting of the Board of Directors, or the organization, a simple majority shall constitute a quorum.

ARTICLE XI

FINANCIAL ADMINISTRATION

SECTION A; Fiscal Year: The fiscal year of the organization shall end each year on the last day of ___**December 31**_____.

ARTICLE XII

MEETING

SECTION A: Annual Meeting: There shall be an annual meeting of the organization in each calendar year at a time and place determined by the Board of Directors.

SECTION B: Special Meetings: Special meetings of the organization may be called by the Board of Directors, or by written request to the Secretary signed by a simple majority of the organization membership. A three day notice shall state the time, place, and purpose of the meeting.

SECTION C: The Board of Directors: Shall meet immediately following the annual meeting to set the time and place for its organizational meeting. Regular meetings of the Board of Directors shall be held at such time and place as it determines.

SECTION D: A special meeting of the Board of Directors may be called by the President or by written request to the Secretary by two (2) members thereof. Three (3) days notice shall be given to the board members which may be waived by unanimous consent of the Board of Directors. Such notice shall state the time, place, and purpose of the meeting.

ARTICLE XIII

PARLIAMENTARY AUTHORITY

SECTION A: Robert's "Rules of Order Revised" shall govern insofar as applicable and consistent with this constitution.

ARTICLE XIV

DISPOSITION OF ALL ASSETS

SECTION A: Upon the dissolution of the organization or the winding up of its affairs, the assets of the organization shall be distributed exclusively to charitable, religious, scientific, literary, or educational organization which would then qualify under the provisions of Section 501 (c) (3) of the Internal Revenue Code and

its regulations as they now exist or as they my hereafter be amended.

ARTICLE XV

AMENDMENTS

SECTION A: This constitution may be amended by a two-thirds (2/3) vote of the voting members present and voting at the annual meeting or a special meeting called for this purpose, provided the amendments shall have been submitted to the membership in writing at least (2) weeks in advance of the meeting.

(SIGNATURE PAGE FOLLOWS)

Initial Board of Directors:

A. Faye Biggers, President

Jay Hooks, Vice-President

Maria Tenario, Secretary

JoAnn Gillum, Treasurer

Key West Neighborhood Association
Member List

A. Faye Biggers
711 S. County Road West
#1002
Odessa, Tx 79763
President

Maria Tenario
711 S. County Rd West
#703
Odessa, Tx 79763
Secretary

Delfino Alvarez
711 S. Co. Road West
#1801
Odessa, Tx 79763

Gilda Bell
711 S. Co. Road West
#2803
Odessa, Tx 79763

Marcelina Brito
711 S. Co. Road West
#501
Odessa, Tx 79763

Ramona Carrasco
711 S. Co. Road West
#1301
Odessa, Tx 79763

Estella Villa
711 S. Co. Road West
#1601
Odessa, Tx 79763

Johnny Cerda
711 S. Co. Road West
#1404
Odessa, Tx 79763

Catherine Parkes
711 S. County Road West
#104
Odessa, Tx 79763

Jay Hooks
711 S. County Road West
#2002
Odessa, Tx 79763
Vice President

JoAnn Gillum
711 S. County Road West
#704
Odessa, Tx 79763
Treasurer

Pearlie Williams
711 S. Co. Road West
#702
Odessa, Tx 79763

Merced Zubiate
711 S. Co. Road West
#2601
Odessa, Tx 79763

Mary Ann Chandler
711 S. Co. Road West
#2502
Odessa, Tx 79763

Nancy Moore
711 S. Co. Road West
#1702
Odessa, Tx 79763

Joy B. Steelman
711 S. County Road West
#804
Odessa, Tx 79763

Lydia Torres
711 S. County Rd West
#1703
Odessa, Tx 79763

Key West Neighborhood Association

The first Meeting of Key West Association took on March 02-2006 at 1:00 O'clock

The Agenda was to vote on the purposed addition of Key West Village, Phase II

Number of members present 10

Jay Hooks
Doris Hooks
Maria Avila
Johnny Jascerda Jr
Mary Ann Chlander
Faye Biggers
Joann Gillem
Maria Lenoir
Nancy Moore
Catherine Parkes

Secc. Maria Lenoir

March 23, 2006

Key West Neighborhood Association member list **FOR** Key West Phase II:

Jay Hooks
Doris Hooks
Maria Avila #402
Johnny Jos Cerda J.
Mary Ann Chandler
Faye Biggers
Maria Tenorio
Glenn Gillum
Catherine Parkes

March 23, 2006

Key West Neighborhood Association member list **AGAINST**
Key West Phase II:

Nancy Moore